



Daily Report

West Europe

FBIS-WEU-96-059

Tuesday

26 March 1996

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report

West Europe

FBIS-WEU-96-059

CONTENTS

26 March 1996

INTERNATIONAL AFFAIRS

WTO's Director General Ruggiero on Trade Developments [*Paris LE MONDE 23 Mar*] 1

INTER-EUROPEAN AFFAIRS

EU: Proposals To Be Discussed at IGC Described [*Madrid EL PAIS 25 Mar*] 2
 EU: 'Commission Opinion' on IGC Conference [*Europa WWW 28 Feb*] 5
 EU: Van Miert Vows To Fight German Cartel Office Proposal [*Brussels EUROPEAN VOICE 21-27 Mar*] 14
 EU: Small Countries Warn Against Change in Equal Status [*Brussels EUROPEAN VOICE 21-27 Mar*] 15

BENELUX

Benelux: Memorandum States Common IGC Stance [*Prime Minister's Office Press Release 7 Mar*] 16

Belgium

Belgium: Dehaene on Prospects for IGC [*DE MORGEN 25 Mar*] 21

UNITED KINGDOM

UK: IRA Said Considering 'Conditional' Cease-Fire [*THE SUNDAY TRIBUNE 24 Mar*] 24

GERMANY

Germany: Kinkel on IGC; Rules Out Postponing EMU [*Rome LA REPUBBLICA 26 Mar*] 25
 Germany: Article Predicts Kohl Chancellor Candidacy [*Munich TV*] 25
 Germany: Press Views Landtag Election Results [*Cologne Radio*] 26

FRANCE

France: De Charette on U.S. Bosnia Rearming, Withdrawal Plans [*LE FIGARO 25 Mar*] 28
 France: Missile Frigate To Be Delivered to Taiwan Apr [*LE MONDE 25 Mar*] 28
 France: Juppe To Propose EU Social Memorandum at IGC [*LES ECHOS 25 Mar*] 29
 France: Foreign Ministry on Upcoming U.S. Meeting, Bosnia [*Ministry of Foreign Affairs WWW 25 Mar*] 30
 France: Foreign Ministry Comments on Elections in Benin [*Paris Radio*] 31

PORTUGAL

Portugal: Gama Proposes EU-Africa Summit [*Lisbon TV*] 33

SPAIN

Spain: Aznar Expects To Form Government in Apr [*Madrid Radio*] 34
 Spain: Party Leaders on Negotiations To Form Government [*Madrid Radio*] 34

NORDIC COUNTRIES

Denmark

Denmark: Rasmussen on IGC Expectations, Goals [*BERLINGSKE TIDENDE 24 Mar*] 36

Sweden

Sweden: Prime Minister Persson's Government Statement [*SVENSKA DAGBLADET 23 Mar*] 38

CYPRUS

Cyprus: President, Greek Ambassador on Yilmaz Remarks [*Nicosia Radio*] 42

Cyprus: Defense Minister Satisfied With Moscow Talks [<i>Nicosia radio</i>]	42
Cyprus: Atun Describes Meetings During Visit to Turkey [<i>Bayrak Radio</i>]	42

GREECE

Greece: EU-Turkey Association Council Meeting Postponed [<i>Athens Radio</i>]	43
Greece: Pangalos Comments on EU Meeting in Brussels [<i>Athens Radio</i>]	43

TURKEY

Turkey: Ecevit States Conditions for Provide Comfort [<i>TURKISH DAILY NEWS 21 Mar</i>]	44
Turkey: Yilmaz Says Greek Response Not Meet Expectation [<i>Ankara TV</i>]	45
Turkey: Foreign Ministry Says Greek Reaction Not Official [<i>Ankara TV</i>]	45
Turkey: Ciller Supports Yilmaz Initiative on Greece [<i>Ankara TV</i>]	45
Turkey: Foreign Ministry Spokesman on EU, PKK, Germany [<i>Ankara TV</i>]	46
Turkey: Yilmaz Promises 'New Initiatives' in Southeast [<i>Ankara TV</i>]	46

WTO's Director General Ruggiero on Trade Developments

BR2503152296 Paris LE MONDE in French
23 Mar 96 p 6

[Interview with World Trade Organization Director General Renato Ruggiero, by Erik Izraelewicz and Serge Marti, place and date not given: "World Trade Organization Director General Renato Ruggiero: 'I Cannot See Any Political Willingness To Revert to Bilateralism or Protectionism'"]

[FBIS Translated Excerpt] [passage omitted] [LE MONDE] Do you believe that, in principle, the trade laws of a member state — in this case the United States — can take precedence over the WTO's international rules.

[Ruggiero] Certainly not. The Americans themselves agree on this. It is for this reason that certain countries have to amend their legislation, as it is contrary to the principles deriving from the Uruguay round negotiations.

[LE MONDE] Have the Europeans asked you to rule on the incompatibilities between certain American laws and WTO rules?

[Ruggiero] Not yet. But one has to know — and all member countries are aware of this — that the GATT rules, and then those of the WTO, are sufficiently flexible not to upset national sovereignty. In this way a member country whose legislation might, in certain aspects, prove contrary to GATT rules, would not be forced to modify them. On the other hand, as soon as the application of this legislation is prejudicial to another member, then the damage caused must be made good. This is a system which is both flexible and realistic. [passage omitted]

[LE MONDE] Does the Franco-American dispute on transatlantic air links not show that some countries prefer bilateral or regional approaches to the WTO's multilateral approach?

[Ruggiero] I do not see any sign of this. It is even the contrary which is true. This multilateralism expressed itself vividly, for example, at the Euro-Asian summit in

Bangkok. Negotiations on telecommunications are another sign that the multilateral approach is indeed very much alive. Moreover within the WTO we are tackling other fields: the environment, direct investments, competition, etc.

[LE MONDE] France, like other countries, would like to link the trade agreements to a "social clause" and to make access to their markets conditional on certain minimum social standards being met. What do you think about this?

[Ruggiero] There have not yet been any real discussions on this issue. You will also have noted that this topic was avoided in Bangkok. Indeed there is no agreement on whether this subject ought to be discussed within the framework of the WTO. Certain countries, however, are determined to make progress on this matter. Therefore, it is important to encourage the discussion, whilst being aware that in any event protectionism will never be the solution. One must tackle the subject with a spirit which should not be one of threat nor of sanctions. It is important to avoid a dialogue of the deaf, and to avoid confrontation. It will be difficult but it is not impossible.

[LE MONDE] Negotiations on the liberalization of telecommunications are scheduled to be concluded before 30 April. Given the present divisions, can we still imagine an agreement being reached by then?

[Ruggiero] I am not pessimistic. These negotiations are historically important. What is at stake is not just opening up access to markets but organizing new rules of competition. Everyone must contribute to the agreement. A very serious commitment exists from all sides to achieve this. The Europeans and the Americans are right in calling for more, for themselves and for the others. Developing countries need to make an effort to liberalize their markets. In the view of the United States, a critical mass has not yet been reached in order to achieve a significant liberalization. In negotiations it is always like that. It is only at the end that states look one another in the face and end up making the effort which makes it possible to reach a conclusion. [passage omitted]

EU: Proposals To Be Discussed at IGC Described

BR2503161496 Madrid EL PAIS in Spanish
25 Mar 96 pp 4-5

[Report by Xavier Vidal-Folch: "33 Proposals for the Review of Maastricht"]

[FBIS Translated Text] Brussels — Governments and institutions alike are sharpening their pencils in preparation for the Intergovernmental Conference [IGC] for the review of the Treaty of Maastricht due to kick off in Turin this Friday [29 March]. The major objective is to adapt the EU to its framework of enlargement to the former Communist East and the Mediterranean South (Malta and Cyprus) that could transform it into a club of 27 or even 30 countries. From the wealth of texts drawn up specially for this event there are 33 concrete proposals for reform.

The main battlegrounds will concern the extension of the majority voting system for decisionmaking — that is to say limiting the right of veto — the development of foreign policy, the inclusion of an employment criterion in the treaty, and the "communitization" of the interior security policy that will round off the process for the free circulation of people (and covering the topics of immigration, crime, drugs, and terrorism) that is currently solely intergovernmental in nature.

Here are the points of agreement and disagreement, organized into four main categories: freedom and internal security; institutions; common foreign and security policy; and human rights and employment.

Freedom and Internal Security

Communitizing the "third pillar." The aim here is to reinforce the freedom of circulation for people and at the same time avoiding this having negative repercussions on internal security. To this end it is necessary to integrate the current "third pillar" — affairs of justice and the interior, and including the Schengen accord — in the Community framework. This would suppose decisionmaking by majority vote and no longer by unanimity, granting the European Commission the right to take initiatives, and the awarding of judicial powers to the European Court of Justice. Above all, this process of communitization needs to be extended to those areas more closely concerned with the circulation of people (border crossings, the fight against drugs, immigration policy, the granting of visas, etc.).

According to the Commission, this could be achieved by establishing "common conditions for entry, residence, and status of third country nationals; mutual recognition of the resolutions of national courts; stepping up the

fight against crime and fraud, and stimulating effective cooperation between national administrations."

The advantages of increased "communitization," according to the Benelux nations, would be more effective decisionmaking, the obligatory nature of decisions, and democratic and judicial control.

The United Kingdom maintains that the affairs of justice and the interior are "of extreme domestic sensitivity" and impact on national sovereignty and this is why "all decisions must be continue to be made" on a unanimous basis.

Institutions

Text of the treaties. There are currently 12 basic texts with more than 700 articles and many obsolete standards including three legally distinct communities and one Union that embraces them all without having any legal personality of its own. The aim must therefore be, says the Commission, to simplify and "consolidate" the treaties.

European Parliament. Its role, the Commission maintains, is "clearly essential and must be strengthened." It goes on to say that its decisionmaking processes (currently at least eight) must be cut to three. France is opposed to "any change likely to upset the institutional balance to the detriment of the Council." Parliament, says the United Kingdom, "does not require new powers and we do not agree that it should replace the predominant position of the national parliaments."

National parliaments. The European Commission states that the national parliaments must play a greater role in Community construction and therefore "have in good time all necessary information from the institutions and bodies of the Union and its governments." France proposes creating a kind of Higher Parliamentary Council made up of delegations from all the national houses of parliament and which will always be consulted on the issue of subsidiarity and "on any proposal" relating to the "third pillar."

European Court of Justice in Luxembourg. This must be strengthened, says the Commission, especially with a view to ensuring that the sentences it passes are applied to a greater extent. No party offers any solutions to the problems that will be created with enlargement and the fact that 30 countries will mean 60 judges, thus prejudicing the cohesion of its jurisprudence and collegial nature. The Benelux countries state that "we must not reduce" its powers but "extend them to fit the scope" of the third pillar. The United Kingdom criticizes the court because "at times its interpretation of the law goes beyond the governments' intentions" when

they adopted them. It proposes limiting the backdating of sentences and limiting national responsibility for damages and prejudice.

The European Commission. It says that it must "more fully play its role as an executive body under the control of legislative authority" and that it must guarantee its "right to take initiatives and its function of the guardian of the treaties," without seeking further powers. However, if the third pillar is brought under the Community umbrella, the Commission will acquire more powers automatically. Benelux defends "the need to reform the role" of the Commission in foreign and interior policy and give it full powers to take initiatives because it is "the engine of the Union." The United Kingdom favors "the automatic withdrawal" of Commission proposals if they do not meet with approval within a specified period of time, and the "automatic review or cancellation" of Community regulations, again after a specified period of time has elapsed.

Commissioners. The Commission and the Benelux nations believe that the number of commissioners should be reduced to one per country. This assumes that the largest countries, including Spain, will also cut their commissioners from two to one. They should be appointed in the same way as at present by the joint agreement of the president of the Commission and the governments. The Commission states that the president should also be elected in the same way, by the European Council with the approval of Parliament. France proposes cutting the number of commissioners to 10 and granting the president a "real power to form his own team." For its part, the United Kingdom suggests that the larger states should always have one commissioner whereas the smaller states would not be guaranteed one, thus making for two kinds of commissioner, one with a vote and one without, or else commissioners with and without portfolios.

Comitology. The Commission believes that the large number of committees currently in existence should be reduced to just three: consultative, management and regulatory in nature.

Vote weighting by population. Under the current system 200,000 Luxembourgers have one vote as do 8 million Germans. This means that national sovereignty takes precedence over citizen representation. If the system does not change with the enlargement — which will concern countries with low populations — this imbalance will only be exacerbated. There are two alternatives. First the vote weighting system could be revised by increasing the votes of the most populated countries. This is "the simplest solution" and is backed by the United Kingdom and France. The other possibility is

for a new system to be devised combining representation of the state and the citizens. Benelux, representing the smaller EU countries, favors this formula.

Generalizing the majority voting system in the European Council. This means making unanimity the exception rather than the rule, including in foreign policy, because, the Commission says, in an enlarged Union "the maintaining of unanimity would often lead to paralysis." While Benelux, France, and Germany do not fully subscribe to the total generalization of majority voting, they do favor the "extension" of its application. France backs this "on condition" that the votes are weighted in favor of the more populated nations and will not abandon the "Luxembourg Commitment" (resorting in extremis to the need for unanimity when key national interests are at stake). The United Kingdom "will oppose any extension of the qualified majority vote," arguing that unanimity has not prevented decisions from being made in the past.

Revolving half-yearly presidency of the Union. With 27 member states the presidency would come around to each one every 13 years. There are two proposals therefore. The first is backed by the Commission which wants the current system to be maintained. The United Kingdom, on the other hand, would like to see the creation of "presidential teams of three or four nations" take control of EU affairs for a year or more at a time.

A multi-speed or more flexible Europe. The Commission believes that "the Union must not resign itself to progressing at the rhythm of its slowest members" and states that some nations could advance at a faster rate for "increased integration," although the Commission rules out an "a la carte Europe." The conditions to ensure that this flexibility does not dilute or disperse the Union are as follows: The different speeds must be compatible with the objectives; they must respect the institutional framework; they must remain open so that the slower countries can catch up later; and they must not affect the scope of the single market or its accompanying policies.

The Benelux countries state that an "a la carte Europe" is "unacceptable." They agree with the Commission's conditions on flexibility with the additional condition that this flexibility should be "a last resort solution" once all other attempts to continue at the same rate have foundered.

France and Germany say that all EU partners must "be able to participate in the same way to the process of European construction, but that the momentary difficulties experienced by one country in following the process of European integration must not hamper the EU's capacity for action and progress." Therefore, the two countries believe, the treaty must be given "a general clause"

permitting this variable speed, albeit "in the single institutional framework of the EU."

The United Kingdom is in favor of a "variable geometry" but refuses to be "led into the trap of a two-speed Europe that has a hard core of countries or policies."

Changes to EU Foreign Policy

The following policies for the common foreign and security policy will be discussed at the IGC.

Foreign trade policy. The Commission proposes to clarify the role of the Community and the member states in ratifying the treaties and participating in international bodies such as the WTO.

Joint analysis cell. The Commission suggests that such a cell needs to be created to adequately prepare decisions. It would like to see this cell composed of experts from the various member states and the Commission, while France, Germany, and the United Kingdom are all in favor of it being organized by the Council Secretariat.

A policy committee. This already exists but, says the Commission, it should be based "permanently" in Brussels.

Majority voting. The Commission's position is that the general rule for the common foreign and security policy should be a vote by qualified majority, with the exception of military decisions, so as to avoid paralysis. Benelux agrees with the qualified majority system "if the proposals emanate from the Commission." France, on the other hand, says that the rule should continue to be "consensus," but it acknowledges that reservations or abstentions should not be allowed to break this. It, too, wants to assign power for "true" foreign policy action (although it does not specify which ones) exclusively to the European Council (the heads of state and government). London maintains that "the coordination of foreign policy has progressed well" since Maastricht and that there is therefore no need to change the unanimous approach.

Minimal consensus. The Commission wants the possibility for several states to be able to act in the name of the EU instead of all states when this does not go against its interests.

A "Mr. Foreign Policy." This is the idea of making one person the EU representative for foreign policy. France is in favor of this "senior representative" appointed by the European Council and answerable to it. The United Kingdom is also in favor of this, but believes this person should be appointed by the Council of Ministers and should represent the ideas of the member states but "not determine them." The Commission is opposed to this line. It would rather the common foreign and

security policy remained in the hands of the Presidency and the Commission although it is not wholly opposed to entrusting one person with specific tasks. Benelux speaks of a "senior functionary" who would be put in charge of the analysis cell and who would be appointed by the Council in agreement with the Commission.

Funding. Currently it is necessary to discuss how each decision is to be funded. The Commission and the Benelux group of countries believe that the common foreign and security policy must be brought into the community budget, including the decisions that are not unanimous "unless there is an express decision opposing this."

NATO and the WEU. Everyone is agreed that NATO must continue to be the pivot for European defense. The Commission favors merging the WEU and the EU. Benelux wants to see this done gradually. France and Germany propose increasing the degree of "institutional integration" between the two bodies. The United Kingdom, on the other hand, believes that the WEU "must remain an autonomous organization" capable of supervising "small operations."

Defense Council. The Commission says that the defense ministers should meet in an EU Council of Ministers.

Military Action. All sides believe that the commitment of a nation's Armed Forces must continue to be a matter for the national authorities to decide. In virtually identical texts, France, Germany, and the Benelux states maintain that "no country can be obliged to take part in a military operation" but "neither can it prevent the others from doing so." The United Kingdom says: "The decision to send men and women to risk their lives must be a decision for the governments that are answerable to their national parliaments."

Weapons agency. Cooperation in the arms industry should be stepped up, according to the Benelux members. France, Germany, and the Commission all propose "creating a weapons industry and giving a coherent focus to foreign trade" in arms.

The IGC's Social Concerns

Human rights and employment form one of the strands that will be discussed in Turin.

Human rights. The Commission states that these need to be incorporated into the treaty or the EU should subscribe to the European Convention for the Protection of Human Rights and Fundamental Freedoms. Antidiscrimination provisions need to be stepped up in the areas of equality between men and women and combating racism and xenophobia.

In instances where a member state violates human rights, the Benelux states are of the opinion that the treaty must include sanctions going as far as "suspending the rights of membership." The United Kingdom disagrees: "The EU is not a suitable framework for protecting fundamental human rights nor is it suitable for a general clause prohibiting discrimination on the grounds of sex, race, religion, or age — these things are better resolved through national legislation."

Social protocol. The Commission, Benelux, and France all believe that the social protocol needs to be made a more prominent feature of the treaty.

The United Kingdom has said that it will be making proposals to avoid "the article on healthcare and labor security being used to bring social policy in through the back door."

Employment. Employment will be added as a separate heading as a "question of common interest."

The aims for the Commission are to "create the conditions for a joint strategy on employment; to stimulate cooperation between both sides of industry; and to consolidate the supervisory mechanisms of the member states' multiannual programs, taking employment into account in all Community policies." The means of doing this, according to the Benelux countries, is to improve labor mobility and training, cut indirect costs, and discriminate in favor of the underprivileged.

Taxation. The Benelux states mention the need to "develop elements for bringing the different fiscal policies closer together."

The environment. The Commission and the Benelux group note the need to integrate environment policy in other areas of EU policy.

Languages. The Benelux countries say that "the principle of equality between the languages must be maintained."

EU: 'Commission Opinion' on IGC Conference

BR2503144296 (Internet) Europa WWW in English
28 Feb 96

[*"Commission Opinion" on the Intergovernmental Conference dated 28 February 1996: "Reinforcing Political Union and Preparing for Enlargement"*]

[*FBIS Transcribed Text*] The [Maastricht] Treaty provides that "a conference of representatives of the governments of the Member States shall be convened in 1996".

With a view thereto, and pursuant to Article N of the Treaty, the Italian Presidency has:

- submitted to the Council a proposal for the amendment of the Treaties on which the Union is founded; and

- requested Parliament and the Commission to deliver opinions on the holding of an intergovernmental conference.

This document comprises the Commission's Opinion.

Introduction

1. The Intergovernmental Conference is the first stage in a busy timetable, which moreover depends on the Conference for its success: within the next four years, Europe has to have set up a single currency (by 1 January 1999), decided on its guidelines for defence, and particularly the future of WEU (Western European Union), established the Union's new financial framework, and adjusted its policies with a view to enlargement.

2. Since 1993 the Member States have adopted and given effect to a Treaty on European Union which derived from a broad, twofold aspiration:

- a determination to extract all the positive effects of the internal market by adding to it a single currency and convergence between the Member States' economic policies;

- a realization of the need to give the Union a genuine political dimension, so that it could make a more effective collective response to its internal requirements and, at the same time, be a forceful presence in the international arena.

These two aspirations are linked: a single currency, as a major integrating factor for those operating in the economy at large and for individual citizens, calls for a strong political and social identity.

3. The Treaty on European Union provided for a new intergovernmental conference to be held in 1996, to consolidate and strengthen the still-emerging Union. For this purpose, in the first half of 1995 the Union institutions drew up a diagnosis of the functioning of the Treaty on European Union, in which their views converged on many points. The Reflection Group sums it up in a single sentence: the Union does not have the means necessary to achieve its ambitions. In the Commission's view, this shortfall alone is argument enough for a substantial overhaul of the institutions.

4. The need to adapt the Treaty does not end there, however. In a way which inspires enthusiasm, history gives us an opportunity to bring the peoples of the continent together in an expanded Union. The principle of enlargement is accepted. Two aspects of it stand out:

- it is no longer some far-off prospect. The 1996 Intergovernmental Conference is probably the last and

only opportunity all 15 Member States will have to reflect together about how the Union is to function in a wider framework;

— because of its scope and its diversity, this enlargement will be different from previous ones: an extended Europe is bound to be more heterogeneous and therefore more complex.

As the number of Union members increases, it creates a risk of the Union being watered down. As one Head of State put it, we have to avoid the situation where, as the last applicant country arrives, it joins something which no longer exists. Enlargement must be undertaken with safeguards for the achievements of forty years of European integration. These achievements are the basis of the Union's solidarity with the new Member States.

5. That is why the European Union cannot commit itself to this round of enlargement without making sure that changes, sometimes far-reaching ones, are first made in the ways and means of its operation.

Similarly, the commitments undertaken in the Treaty on European Union must be fully respected, most particularly the establishment of economic and monetary union and comprising a single currency on the date fixed.

6. The forthcoming conference will be a crucial one: the deepening and widening of the Union are intertwined. The Commission expects of the Intergovernmental Conference that it strengthen the Union so as to prepare enlargement around a clear political project. The Union must therefore:

- be closer to its citizens;
- make its presence felt in the world;
- adopt an institutional system which will work in an expanded Europe.

Subject to these conditions, the Commission is in favour of holding the Intergovernmental Conference.

1. A people's Europe

7. Ordinary people must feel actively involved. The concept of European citizenship enshrined in the Treaty on European Union complements national citizenship. This concept of citizenship has many aspects; it should be developed further:

- it is based on a European social model which guarantees that fundamental rights are recognized by all, and whose members are committed to mutual support;
- it provides for freedom of movement and establishment, to be enjoyed with a proper level of security;

— finally, it implies that Europe must be understandable for the individual; successive amendments to the Treaties have made European integration increasingly complex; it must be made simpler and more democratic.

1.1. Promoting the European Social Model

8. Europe is built on a set of values shared by all its societies, and combines the characteristics of democracy human rights and institutions based on the rule of law with those of an open economy underpinned by market forces, internal solidarity and cohesion. These values include the access for all members of society to universal services or to services of general benefit, thus contributing to solidarity and equal treatment.

The European model finds expression in the Treaty on European Union, through general objectives such as a high level of employment or sustainable development, through specific policies, and through measures aimed at fostering the social dialogue.

As we enter a new political era, support for this model should be strengthened and made more explicit.

Human Rights

9. The Member States of the Union are defenders of human rights: all of them are party to the European Convention for the Protection of Human Rights and Fundamental Freedoms. The Union itself abides by the Convention in the decisions and action it takes.

However, the Union should signal its espousal of these values even more clearly, either directly in the Treaty or in signing the Convention itself. As the Union grows and diversifies, such a step becomes all the more necessary. An opinion on this matter is expected from the Court of Justice.

The Conference should also incorporate in the Treaty provisions banning discrimination of any kind particularly on the basis of sex, thereby extending the provisions on equal pay and condemning racism and xenophobia.

A Union Based on the Rule of Law

10. To consolidate the rule of law as the basis of the Union, the proper implementation and enforcement of Community law has to be assured, a task which falls primarily to the national authorities. This will be even more vital in an enlarged Community encompassing a wide diversity of national legal and administrative systems. The Commission therefore believes that:

- the means available to it to enforce Community law should be made more effective, notably as regards the internal market;

— there should be a stronger role for the Court of Justice, particularly as regards compliance with its judgments.

11. Fraud against the Community's financial interests must be combatted effectively. This cannot be done without a firm commitment by the Member States as well as the institutions. The Commission proposes that the Union give itself an appropriate legal basis.

The Social Dimension

12. Each Member State strives to secure social goals for all its people, through government policies or legislation — with the participation of trade unions, employers and civil society in general — in the context of an open economy.

The Member States, industry, trade unions and employers are those mainly concerned, but the Union should also take part in pursuing these goals. Ordinary people must be able to see that the Union is helping to ensure that they can exercise certain fundamental social rights.

The social dimension should be one of the central themes at the Conference. Above all there has to be a common base of social rights for all Union citizens. The Commission believes that to achieve this, the Social Protocol must be integrated into the Treaty, and clearer provisions laid down concerning cooperation between Member States on matters of social policy, such as the fight against marginalization or against poverty. Better ways must also be found of involving those sections of civil society capable of developing initiatives and new forms of solidarity.

Employment

13. Unemployment is undermining the foundations of our societies, affecting nearly twenty million people, many of them young. While not overlooking the role of appropriate macroeconomic policies, cutting unemployment depends mainly on those directly involved in the economy.

In its 1993 White Paper on Growth, Competitiveness and Employment, the Commission proposed a series of measures aimed at mobilizing all sections of society. This strategy is still relevant today: growth, competitiveness, and employment go hand in hand. Only a competitive economy can create lasting jobs. Structured and coherent action by the Union has to contribute to restoring a high level of employment, which is already a Treaty objective.

To this end, the Commission proposes that specific provisions on employment be written into the Treaty. They would be grounded in experience accumulated by

the Community and treat employment as a matter of common interest; they would aim at:

- establishing the conditions for a common strategy for employment;
- stimulating cooperation between the interested parties;
- consolidating the arrangements for multilateral surveillance of Member States' multiannual programmes;
- taking employment into account in all Community policies.

Sustainable Development

14. An environment benefitting from a high level of protection is one of the major concerns of citizens in the Union. The Commission considers that the provisions of the Treaty directed at sustainable development and at a healthy environment should be reinforced in two ways:

- the right to a healthy environment, and the duty to ensure it, should be included in those provisions of the Treaty affecting the citizen;
- the environment should be specifically incorporated into the other policies of the Union.

1.2. Establishing an Area of Freedom and Security

15. The principle of the free movement of persons in the Union is enshrined in the Treaty. Yet its translation into practice is still subject to major restrictions:

- it is not fully applied across the whole Union;
- some Member States have had to resort to an ad hoc agreement (the Schengen Agreement) to achieve progress in this field; this does not however offer the same guarantees as Community law. For freedom of movement to be applied in practice, solutions must also be found to complex problems such as asylum and immigration, crime, drugs and terrorism. These problems have become international in scale; none of them stops at national borders. Hitherto, the Union has been tackling these problems with outdated methods and resources.

The Commission proposes that the shortcomings of the Treaty in the fields of justice and home affairs — notably its ineffectiveness and the absence of democratic and judicial review — be remedied by setting clear objectives and providing for appropriate instruments and methods.

16. The general objective is to apply and reinforce the principle of freedom of movement and residence,

already enshrined in the Treaty, in a context of ensuring security for all.

The specific objectives should cover four main themes:

- the establishment of common rules on the entry, residence and status of nationals from non-member countries in the Union;
- the effective mutual recognition of judgments by national courts;
- the adoption of measures to combat all forms of crime and fraud;
- the stimulation of effective cooperation between government departments of the Member States.

17. In addition, the following instruments and methods should be adopted:

Decisionmaking

The unanimity rule generally applied at present either paralyzes the Council or reduces decisions to the lowest common denominator. The Commission believes it should as a general rule be replaced by qualified majority voting. Parliament must be more closely involved, especially in fields which can affect the individual rights of citizens. Finally, the Commission should have the power of initiative in all the fields concerned.

Legal Instruments

The legal status of the joint action and the common position is obscure, while the entry into force of traditional international agreements may be delayed or uncertain: neither technique is suitable. The Union must have more effective legal instruments in this field.

Review by the Court

Decisions taken should be subject to review by the Court of Justice, if only to guarantee the uniform interpretation of texts.

Working Methods

The present working structures in the Council operate at several levels and are ineffective. They should be simplified.

18. The Commission believes that the best way of attaining all these objectives would be to transfer justice and home affairs to the Community framework, with the exception of judicial cooperation in criminal matters and police cooperation. The transfer of jurisdiction is particularly necessary in the fields most closely associated with the movement of individuals, such as rules on crossing borders, fighting drugs, immigration,

policy on nationals from non-member countries, and asylum.

Following the same logic, the content of the Schengen Agreement should be incorporated in the Treaty.

1.3. Simplifying and Democratizing Europe

19. What the Union does has to be understandable: democracy depends on this. Openness is thus a commitment incumbent on all the institutions: the Union's activities must be accessible and comprehensible, so that those affected are in a position to obtain all the information they require. The role played by the European Parliament is obviously crucial, and must be developed.

Openness on the one hand and democratic overview on the other will only be fully assured if national parliaments are more closely involved in Union affairs. This means they must have timely access to all the information they need, from the various institutions and bodies of the Union, and from their governments.

Europe must do less, so as to do it better. It has already made a start by giving effect to the subsidiarity principle enshrined in the Treaty. The Member States and the institutions must continue to advance along this road. This is the only way Europe will find the most effective level — Community, national or regional — at which to act.

Simplifying Europe means above all reviewing the institutional arrangements. The aim must therefore be to:

- simplify and consolidate the Treaties, and
- simplify the decisionmaking process and make it more democratic.

1.3.1. Simplifying and Consolidating the Treaties

20. As years have gone by the Treaties establishing the Union and the Communities have grown progressively more complex and progressively less understandable.

The existence of a dozen or so treaties and other basic texts, with a combined total of more than 700 articles — some fundamental, some technical — and the survival of a plethora of obsolete provisions make the European Union's primary legislation singularly inaccessible.

Moreover, the coexistence of three legally separate Communities and of a Union encompassing them all but not enjoying its own legal personality does not make for easy public understanding of the European integration process.

And the whole edifice is all the more complicated as a result of the methods of intergovernmental cooperation, applied to foreign policy and to justice and home affairs.

The task of simplifying and consolidating the Treaties should be pursued to the utmost extent.

1.3.2. Simplifying and Democratizing Decisionmaking

21. The proliferation and complexity of both legislative and implementation procedures have made the Union's decisionmaking system unwieldy and opaque. The provisions governing budgetary procedure seriously need simplifying and the accumulated set of interinstitutional agreements should be consolidated.

It is vital for openness and democracy that the Intergovernmental Conference should put order into this system, and simplify it.

22. The Commission has four remedies to propose:

a. Decisionmaking Procedures

There should be three types only - decisions adopted on Parliament's opinion, those adopted with its assent, and the codecision procedure involving Parliament and the Council.

b. The Codecision Procedure

The procedure should be applied more widely, and also made more simple. It constitutes a great step forward in the maturing of Parliament's legislative function. The Commission, acting in accordance with the Treaty, will present the Council with a report on extending the scope of the procedure.

The Commission's view is that the procedure has - by and large - worked well. But it could be quicker and more effective if it were simplified, notably by determining time-limits for first readings, by dropping the announcement of the intention to reject a proposal at the second-reading stage, and by dropping the third reading. As for the scope of the codecision procedure, the Commission's view is that it should apply to the adoption of all acts of a legislative nature. This would entail clarification of what actually constitutes a legislative instrument. The codecision procedure should in any event be adopted for all decisions currently taken by the cooperation procedure, which should be abolished.

c. The Assent Procedure

The scope of this procedure should be amplified and clarified. Parliament's assent should always be required for decisions on "constitutional" matters (Treaty amendments, own resources). The procedure should not, on the other hand, be applicable to legislative decisions or for Community action programmes, where codecision should be the norm. The scope of assent procedure as

regards international agreements should be clarified, the role played by national parliaments could serve as inspiration here.

d. Implementing Measures

The provisions governing implementing measures are complex and opaque. Decisionmaking procedures for implementing measures need to be changed to reflect the roles of the institutions more fully. This means that the Commission must exercise fully its function as the executive body, subject to review by the legislative authority. And the role of Parliament needs to be taken into account where the basic instrument has been enacted by codecision. Here, there should be a procedure whereby Parliament or the Council can object to a draft measure proposed by the Commission; in this case it would then be adopted by the codecision procedure itself.

In addition, the number of implementing procedures need to be reduced, so as to avoid the frequent and sterile debates between the institutions about the procedures to be followed, and so as to reflect better the nature of the decisions to be taken. The Commission's proposal is that there should be at most three types of committee and procedure - the advisory committee, the management committee and the legislation committee - and that all the variants be dropped.

II. A Clear Identity on the World Scene

23. The Treaty on European Union calls on the Union to "assert its identity on the international scene". In practice, however, the additional influence that the Member States were to have achieved by acting together has eluded them. Their efforts have often been poorly focused and are liable to be even more so after enlargement.

The Conference should have a clear and simple aim: to empower the Union to act rather than react, the better to defend the interests of its people.

In some areas, such as trade policy, economic assistance, development aid and humanitarian action, there is already a coherent single policy towards the outside world, though to varying degrees. Other areas, such as the common foreign and security policy, are still at an early stage in their development.

The prime objectives of the Conference should therefore be as follows:

- to bring together the various strands comprising foreign relations into a single effective whole, with structures and procedures designed to enhance consistency and continuity.

— to improve the common foreign and security policy at all stages of its operation;

— to establish a proper European identity with regard to security and defence, as an integral part of the common foreign and security policy.

II.1. Greater Consistency in Foreign Policy

24. The Union must be able to present a united front. Its foreign policy as a whole will not be effective until there is proper coordination between its various components, for which responsibility is shared among different institutions. The Treaty already requires the Council and the Commission to pursue a consistent foreign policy. But this has not happened under the Treaty as it stands, and the institutions' duties in this respect should be reinforced.

The Council Presidency and the Commission should ensure effective cooperation between the two institutions which are responsible for various aspects of foreign policy. This would considerably enhance the continuity and efficacy of the Union's foreign policy.

II.2. More effective Community Action

There are three areas which need to be examined.

a. Trade Policy

25. The Treaty should be updated to take account of the radical changes in the structure of the world economy, in which services, intellectual property and direct foreign investment play an increasingly important role. These developments are reflected in the increased responsibilities given to the World Trade Organization. The Community's powers in these areas are poorly defined, leading to needless procedural wrangles. This detracts from the Community's ability to defend the interests of the Member States and their businesses.

The Commission believes that the common commercial policy should be clarified accordingly.

b. The Union's Role in International Organizations

26. Under the present Treaty, the Union is ill-equipped to conduct negotiations in international organizations and take part in their activities, as it is increasingly called upon to do. Difficulties arise when responsibility for the various aspects is split between the Community and the individual Member States. Attempts to coordinate the Member States' positions are made more complicated and, as a result, less successful; the Union's negotiating position is weakened in many cases.

The Commission considers that the Treaty should include provisions explicitly designed to enable the Union

to speak with one voice and thus defend all the relevant interests more effectively.

c. Coordination Between Member States' Policies and That of the Community

27. Generally speaking, in fields where responsibility is shared, such as development, transport and the environment, the Member States' policies should be better integrated — by means of appropriate mechanisms — with that of the Community.

II.3. A Firmer Basis for the Common Foreign and Security Policy

28. It needs first of all to be emphasized that the common foreign and security policy cannot develop without real political resolve on the part of the Member States, together with clearly-defined objectives.

The Presidency and the Commission should together ensure the visibility of the common foreign and security policy. In any event, this requires a series of improvements, from the preparation of decisions through to their adoption and implementation. During the whole process, it is vital that the Presidency-Commission tandem operate coherently and efficiently. Within this overall context, the Commission, for its part, will strengthen its internal organization with this in mind. The Conference should consider ways and means of strengthening the Presidency, with support from the Council Secretariat.

Preparation of Decisions

29. The quality of analysis on which decisions are based must be improved. It is also important that all Member States share the same analysis.

To this end, a "joint analysis unit" should be set up, composed of experts from the Member States and the Commission. It would be a joint service, possibly with a contribution from the Western European Union. Its analyses would be useful for the Presidency and the Commission when drawing up and making more consistent their proposals. The location of this unit is less important. The formulation of foreign policy would be facilitated by the incorporation of a permanent Political Committee into the Council's existing machinery for preparing decisions in Brussels. Adoption of decisions

30. The Treaty introduced the concepts of "common position" and "joint action" in connection with the common foreign and security policy. In practice, the distinction between these two instruments has become blurred, and a source of contention.

The Commission considers that clarification of their respective functions is necessary.

31. The need for unanimity makes decisionmaking difficult, regardless of which instrument is used. The Commission takes the view that qualified-majority voting should be the norm for the common foreign and security policy. Specific rules would apply for decisions involving military matters. There are also times when some, but not all, of the Member States wish to take action on a specific matter. It should be possible for such initiatives to have the status of Union measures, as long as they are not against the general interests of the Union, and provided that the latter is duly represented.

Implementation of Decisions

32. Representing the Union abroad and implementing its decisions involves many diverse tasks, because of the role of Member States and the various elements of foreign policy. The only constant is the single institutional framework: whatever the field, whether it be a matter for the Community or for intergovernmental cooperation, the decisions are taken by the Council.

Primary responsibility for implementation should lie with the Presidency and the Commission. But this clearly should not prevent certain tasks being allocated to specific personalities designated on an ad hoc basis.

33. The current procedure for common foreign and security policy decisions involving expenditure is both opaque and inefficient; separate negotiations have to be held for each decision. The Commission proposes that expenditure incurred in implementing the common foreign and security policy be included in the Community budget, unless an express decision to the contrary is taken.

II.4. A European Identity for Security and Defence

34. The Union's foreign policy suffers from its inability to project credible military force. Events in recent years have made this abundantly clear. A genuine European identity in the security and defence field is indispensable. It requires clear political will on the part of Member States.

NATO remains at the centre of Europe's defence arrangements, and a European pillar should be developed in it. In this context, the WEU plays a key role as already set out in the Treaty. As matters stand, Member States do not however have the same defence commitments in relation to NATO and the WEU.

The Commission believes that a proper common foreign and security policy has to extend to common defence.

35. Accordingly, the Conference should:

- allow Union commitments to missions aimed at restoring or keeping peace to be written into the Treaty ("Petersberg" missions);

- reinforce the Union's security capability by providing for Defence Ministers to play an appropriate role in the Council;

- review the role of the Western European Union with a view to incorporating it into the Union according to a settled timetable. In this context, the Commission would recall that the security and defence of the Union are dependent on the existence of a solid industrial base performing credibly. This requires better integration of the armaments industry into the general Treaty rules, greater solidarity and cooperation including the establishment of an armaments agency, and a consistent approach to foreign trade.

III. Institutions for the Enlarged Europe

36. The aim of the proposals set out above is to facilitate both the internal and the external development of the European Union. They are at all events indispensable since they are intended to endow Europe with the means of achieving its ends. They are also the prerequisites for a successful enlargement.

37. This enlargement also raises its own specific questions. The Commission considers that the Conference will have to address three issues:

- the institutional implications of the increased number of Member States;

- the need to eschew unanimous voting;

- the incorporation of a system of flexibility, enabling the Union to move ahead without being held back by its slowest members.

III.1. Adapting the Institutions

38. The substantial increase in the number of Member States of the Union will have repercussions on the operation of the institutions. No one doubts that the difficulty of working together will increase with the number of participants: more languages, longer and less interactive meetings. There will be a host of practical problems and they cannot be ignored.

However, enlargement will also have genuine consequences for the institutions which makes it all the more important to maintain the overall balance between them.

The European Parliament

39. The number of seats assigned to each Member State in the European Parliament has so far allowed a balance to be struck between demographic reality on the one

hand, and its compensation by an over-representation of the less populated Member States on the other. This has ensured that the main political groupings in all the Member States can be represented.

This principle should be maintained in an enlarged Union. However, to prevent the European Parliament from becoming disproportionately large, there will have to be a limit on the number of its members, however many Member States there are in the Union. Parliament has itself proposed limiting its membership to 700. The Commission agrees.

One effect of this reduction is that the electoral base of each Member of Parliament will rise, to over a million in the most highly populated Member States. The Commission considers that this further intensifies the need for a common electoral procedure so as to ensure, as is moreover laid down in the Treaty, that the members are as representative as possible.

The Council

40. The increase in the number of Member States will also make itself felt in the Council, in three main respects.

— It is true that the existing half-yearly rotation of the Presidency means that Member States will occupy the Presidency less frequently. But the Commission sees the Presidency as a service and a task which each Member State assumes on behalf of the Union, and which helps to engender public support for Europe in the state concerned. The Conference should however examine various ways of extending the scope of the Presidency's powers of action, and the order of rotation of the half-yearly periods.

— The weighting of votes between the Member States: qualified majority voting is an essential mechanism for decisionmaking by the Council. The weighting of the Member States' votes is a corollary, introduced as a compromise between Member States equal in law, but of different demographic sizes. Thus, the current weighting of votes reflects a generally accepted bias towards the lesspopulated states of the Union. However, it is also a fact that almost all the countries concerned by enlargement have relatively small populations. Thus by retaining the current weighting, the relative weight of the smaller states would be increased.

The Commission therefore considers that in order to maintain the existing balance, there is justification, when enlargement comes, for either adapting the weighting of votes or introducing a new system which makes a reference both to a majority of the Member States and a majority of the Union's population.

— The threshold for a qualified majority: enlargement is bound to make decisionmaking more complicated. The Commission therefore considers that no adaptation should have the effect of making decisionmaking more difficult. The normal threshold for a qualified majority, which has been set at around 71 percent since the inception of the Community, should therefore not be raised in any circumstances. There is also a perceived need to restore to the General Affairs Council its role of coordination and arbitration in the various areas covered by the Treaty.

The Commission

41. The prospect of a substantial increase in the number of Member States engenders a need to preserve the legitimacy, the collective responsibility and the effectiveness of an institution whose vocation is the completely-impartial representation of the general interest. This means first of all securing its right of initiative, its executive powers, and its function as guardian of the Treaties. The Commission considers that its President should be designated by the European Council and approved by Parliament. The President should play a decisive part in the choice of the Commission's Members, the better to ensure collegiality. In this regard, its members should be designated by common agreement between the President and the respective governments of the Member States.

42. The Commission takes the view that, in the context of enlargement, the number of its Members should be reduced to one per Member State.

The Commission is aware that its composition and structure will have to be reexamined, above a certain number of Member States. The Conference should fix an appropriate procedure for doing this.

The Court of Justice

43. The Court of Justice will also be confronted with the problem of numbers. The prospect of seeing some sixty judges at the Court of Justice and the Court of First Instance is a good ground for examining the consequences.

In its report to the Reflection Group, the Court stressed how important it is for all the various national legal systems to be represented. However, it also pointed out that "any significant increase in the number of Judges might mean that the plenary session of the Court would cross the invisible boundary between a collegiate court and a deliberative assembly. Moreover, as the great majority of cases would be heard by chambers, this increase could pose a threat to the consistency of the case-law."

The Commission similarly agrees with the Court when it indicates that the judges' term of office could be extended, while becoming non-renewable. Such a reform would reinforce even more firmly the judges' independence.

III.2. Making Majority Voting the General Rule

44. In an enlarged Union, adherence to unanimity would often result in stalemate. Indeed, the difficulty of arriving at unanimous agreement rises exponentially as the number of members increases. The Commission accordingly proposes that qualified majority voting become the general rule.

Two additional observations are then warranted:

— Unanimity need not necessarily be replaced by qualified majority voting as defined at present. In particularly sensitive fields, decisions could be taken by "super-qualified" majority voting, for example.

— What holds true for Community legislation also holds true for the Treaty itself and amendments to it: if in future the Treaty could, as at present, be amended only by unanimity, it would be in danger of stagnating in the state in which the 1996 conference left it, making future progress in the direction of European integration an unlikely prospect.

In this respect, it should be borne in mind that the Treaties currently contain provisions of various types, some of which certainly are of a genuinely fundamental nature (preamble, fundamental principles, objectives of the Union, operation of the institutions) while others are not (Union policies). The consolidation of the Treaties referred to earlier should make it possible to establish a clear distinction between these two types of provision.

The Commission considers that in future it should be possible to amend at least provisions that are not of a constitutional nature by a procedure which imposes fewer constraints than the one currently in force.

III.3. Organizing Flexibility

45. The European Union must not be for ever bound to advance at the speed of its slowest members. This is even more true in an enlarged Community. The Union has long practised certain forms of flexibility. Exceptions or exemptions, normally of a limited and temporary nature, are provided for in Community law. No one doubts that in the context of the accession of new Member States recourse will be had to this practice, until such time as they come to participate fully in all the common policies.

The Commission observes that, already, organized flexibility is the route sometimes to be followed for deep-

ening the Union, as the example of economic and monetary union shows. On the other hand, the Commission firmly rejects any idea of a "pick-and-choose Europe" (e.g. the Social Protocol) which flies in the face of the common European project and the links and bonds which it engenders.

46. The Commission takes the view, however, that the European Union must make it possible to have forms of cooperation or integration between those of its members wishing to progress faster and further in the attainment of the Treaty's objectives. This should be envisaged only after exhaustion of all other possible forms of action involving all the Member States under the Treaty.

The requisite flexibility will have to be guided by the following principles, so as to guarantee the unity of the Union:

- compatibility with the objectives of the Union;
- consistency with the institutional framework of the Union;
- opportunity for other Member States which are willing and able to join at any time;
- safeguarding of the single market and the policies accompanying it.

The Commission, subject to review by the Court, will have to ensure that the principles set out above are respected.

Conclusion

What the Commission would like to see is an Inter-governmental Conference with real ambitions. It is the opportunity for a genuine debate on Europe, on what Europe is about, on what course it is to take in the years ahead, and on everyone's role in this Europe. This debate must be opened up at once, in order to give the negotiators their hearings. At the ratification stage it will be too late. In this debate the Commission intends to state some simple truths. First of all, the obvious — but sometimes forgotten — fact that the most striking success of the European venture has been the peace and prosperity it has generated. This incomparable heritage must now be developed, and extended to the other countries of a continent that has been divided for too long.

Second, there is the usefulness of the Community method. This novel approach — based on unprecedented institutions, the rule of law, and solidarity — has made Europe what it is today. But while the values must be preserved, the methods must at the same time be adapted to the new context: the shift to a more genuinely political Union and a Union soon to be made up of more than the current fifteen members. This is what underlies

the reforms advocated by the Commission. Finally, there is the overriding requirement of political will. Setting clear objectives and providing the necessary tools is a *sine qua non*. The Union must equip itself with the means to match its ambitions. But none of this will lead anywhere unless it is founded on real political will. It is obvious that the problem of unemployment will not be resolved simply by inserting a chapter on employment in the Treaty. Just as it will take more than a form of words to create a foreign policy. But anchoring provisions in the Treaty means that the problems have to be tackled by acting together.

Recognising the difficulties does not mean giving in to them. The Conference should be the occasion to mobilize energy and resolve; to convey a message of confidence and determination to the people of Europe and the rest of the world. To demonstrate that the Union has clear objectives and the instruments to achieve them; that Europe -united in its diversity- is prepared to uphold and develop its model of society and to make growth and competitiveness work for a social and a cultural ideal; that Europe, by harnessing the strength of its institutions and the efforts of its Member States, will assume its responsibilities in the global arena. To make clear that Europe, far from being an aggregate of selfinterest, is the sum of all the wealth of this continent.

EU: Van Miert Vows To Fight German Cartel Office Proposal

BR2603082396 Brussels EUROPEAN VOICE
in English 21-27 Mar 96 pl

[Article by Tim Jones: "Clash Over Plan for Cartel Office"]

[FBIS Transcribed Text] German attempts to wrest control of competition policy from the European Commission and into the hands of a new office threaten to spark a power struggle at the forthcoming Intergovernmental Conference.

The man responsible for enforcing the EU's anti-trust rules made it clear this week that he will fight any attempt to strip the Commission of the merger-vetting powers it has held for nearly 40 years.

"We are very much against it," said Competition Commissioner Karel Van Miert. "Competition policy has been a very powerful engine for integration so it would not be a good idea to cut it into pieces: one piece for the Commission and the rest for a so-called independent competition authority."

The German Bundeskartellamt has called for the creation of a new European cartel office to bring an end to the kind of political influence that can be brought to

bear on the college of Commissioners when it considers sensitive competition cases.

This view is supported by elements of industry, most particularly in the area of policing government subsidies.

"We would welcome a more independent competition authority," says Chris Allen of British Airways. "Although we are not unhappy with our relations with DG-IV (the Directorate-General responsible for competition), we believe that a truly independent authority would increase transparency."

But in an interview with European Voice, Van Miert defended the Commission's independence and insisted he saw no need to apologise for sometimes looking at issues beyond rigid anti-trust law enforcement.

"Apart from strict competition considerations, it is natural and good that a body like the Commission can take into account other elements as well," he said.

Industry is developing rapidly and new issues, including the need to prevent big companies shutting out competition in new markets such as online services or pay-television systems, could not have been foreseen by the drafters of the Treaty of Rome.

"Things are developing so quickly that the time is long gone that when you had a competition problem, you looked into a manual and found a solution," said Van Miert, arguing his services should be able to tap into expertise in other parts of the Commission to help their investigations.

"Nobody should have the illusion that once 15 governments start to talk about a so-called independent authority, they all won't want to have their man or their woman on the inside," he said, adding: "Then, where will it be based? Given how long the discussion took over the headquarters for various other institutions, it might well be that in 2017, the cartel office will be based in Bulgaria."

Denmark's shipbuilders have more reason than most to want a non-political eye cast over competition policy, since state aids to rival shipyards have accelerated the closure of several established companies.

Yet, they are sceptical about the German proposal.

"Even with an independent body, who makes the rules? And who will nominate the people who sit on it?" asks Thorkild Christensen, managing director of the Association of Danish Shipbuilders.

"The question is really: how much do you gain by moving these decisions away from the Commission, which is already meant to be independent?"

The German government is treading softly on the issue, particularly since the recent debacle over shipbuilder Bremer Vulkan and the misuse of state aid to its eastern yards.

"We are still in favour of the idea," said a German official, "but we tend to be a little less vocal about it since we have already made Mr Van Miert angry enough lately."

EU: Small Countries Warn Against Change in Equal Status

BR2603082596 Brussels *EUROPEAN VOICE*
in English 21-27 Mar 96 p2

[Article by Rory Watson: 'Small Countries Warn 'Big Five' Against Changing Equal Status']

[FBIS Transcribed Text] The EU's smaller countries will warn their larger colleagues next week that they will block any attempt to downgrade their EU status at the Intergovernmental Conference (IGC).

They will stress their commitment to the current broad institutional framework which puts all EU members, irrespective of size, on a basically equal footing at the European summit in Turin next Friday (29 March).

As EU leaders prepare for the formal launch of the IGC, which will negotiate improvements in the way the Union operates, fears are growing that the exercise could expose deep divisions between the 'big five' and their smaller partners.

Sweden's chief negotiator Gunnar Lund this week warned his EU colleagues that several of the institutional changes being proposed were "fairly provocative to smaller countries".

These ideas focus on changes to the rotating six-month EU presidency, adjustments to countries' voting strengths in the Council of Ministers, a reduction in the number of Commissioners and new limits on the number of MPs.

"It simply means that the bigger countries should have more influence at the expense of the smaller countries. That is something which we of course think is undesirable, but also badly justified," said Lund.

Similar warnings are being voiced by other member states as they put the finishing touches to their opening IGC positions.

"Our basic principle is that the present overall balance should be maintained. We want to keep the rotating presidency and one Commissioner per member state, but we accept some movement is needed for enlargement," explained a Portuguese diplomat.

Greece also flexed its muscles earlier this week, insisting it should not hesitate to wield its veto to safeguard its vital national interests and would demand equality of representation between EU members.

The Irish government is expected to endorse a similar position when it unveils its long-awaited White Paper on foreign policy next week. This is likely to underline Ireland's belief that the Union's very strength lies in the fact that the views of all its members are listened to and respected.

But Dublin will seek to play down any formal big/small divide by insisting that it does not seek EU alliances on the basis of a country's size and dismissing any suggestions that small and medium-sized states inevitably represent a cohesive group.

Most EU countries accept that any extension of majority voting in the Council of Ministers will need to be accompanied by some re-weighting of votes to take account of the population size of the larger countries: Germany, France, the UK, Italy and Spain.

But smaller states vehemently object to any moves which could effectively turn them into second class members of the Union. This explains their hostility to the recent suggestion from French European Affairs Minister Michel Barnier that the number of Commissioners could be reduced to less than a dozen.

There is similar opposition to moves to restrict the automatic right of each country to organise the rotating six-month EU presidency. Pointing to the difficulties which France and, more recently, Italy have encountered in running the presidency, smaller EU member states retort that size is no guarantee of success.

Intriguingly, the main responsibility for ensuring the smooth running of the IGC negotiations will fall on two of the Union's smaller countries - Ireland and the Netherlands. The former takes over the EU presidency on 1 July, while its Dutch successor has already made clear it aims to complete the reform process at the Amsterdam European summit it will host in June 1997.

As the final preparations for the IGC fall into place, the Italian government is still trying to secure agreement on a formula to enable the European Parliament to be associated with the unfolding negotiations. It will make a final effort when foreign ministers meet in Brussels on Monday (25 March) to broker a compromise between France and the UK, which oppose any concessions to the MEPs, and other countries, which favour granting the Parliament observer status.

Benelux: Memorandum States Common IGC Stance
BR2503150796 Brussels Prime Minister's Office Press
Release in French 7 Mar 96

[*"Memorandum Issued by Belgium, The Netherlands,
and Luxembourg With a View to the IGC"*]

[FBIS Translated Text]

Introduction

European integration has played a fundamental role in the establishment of peace, prosperity, and material wellbeing in Europe. The governments of Belgium, The Netherlands, and Luxembourg have firmly decided to ensure that these achievements are irreversible. For this reason they believe it is essential that the process of European integration should continue successfully along the same lines as in the past, involving close cooperation between countries which voluntarily share their sovereignty and have, to this end, transferred some competencies to common institutions.

Profound changes have taken place in Europe since 1989. The need to continue the process of integration still applies. The European Union will also have to enlarge itself, owing to its responsibility to make a contribution toward security and stability in Europe. And if an enlarged EU, which will necessarily be more heterogeneous, wants to occupy its rightful place in the world, the place expected of it, then it will have to make room for differentiation as well as on deepening and enlargement.

It is on the basis of this belief that the three aforementioned governments will participate in the IGC [Inter-governmental Conference] and make the following proposals to their EU partners.

1. The General Approach and the Objectives of the IGC

Deepening

The three aforementioned countries reiterate their belief that the IGC must focus on the deepening of European integration, in other words a bolstering of the Union's efficiency in the areas of the internal market, foreign policy, and cooperation in the areas of justice and EU-internal affairs. This deepening, which will also have to be aimed at employment, will contribute toward the creation of a climate of confidence, which will facilitate the transition to the third phase of EMU [European Economic and Monetary Union]. Nevertheless, EMU is not on the agenda for the IGC.

Enlargement

Deepening is also necessary with an eye to enlargement. The success of the IGC and the achievement of EMU will have to lead to a strengthening of the EU, which will then constitute a more solid basis for welcoming new members. After all, candidate member states would derive no advantage whatsoever from joining a weak Union that was incapable of taking action.

Differentiation

Differentiation in integration has always been practiced, ever since the Community was born: EMU is merely the most recent expression of this. The aforementioned three countries do not in the least bit reject a differentiated approach which, in an enlarged Union, will probably be inevitable, on condition that it does not result in a disintegration of the Union. An *a la carte* Europe is unacceptable. So this differentiation must meet several criteria:

- Differentiated integration must be compatible with the objectives of the Treaty on European Union, shared by all the member states;
- It must constitute the last resort solution and provide for adequate possibilities for non-participating countries to join at a later stage;
- The Community's achievements and the smooth functioning of the internal market must not be called into question;
- The single institutional framework must be retained;
- The Commission must play a key role in applying the criteria and implementing the details of differentiation.

2. Deepening of the Union's Policies

2.1 Fundamental Rights

The EU, its member states, and its institutions must guarantee human rights. Human rights violations by a member state of the Union must not go unpunished: The treaty must provide for the possibility of sanctions extending even as far as suspending certain rights associated with the conditions of membership.

An explicit reference to the protection of human rights and the fundamental freedoms of European citizens, fundamental social rights, the equal treatment of men and women, and the fight against racism and xenophobia should be enshrined in the treaty.

2.2 Equality of Languages and Cultural Diversity

The principle of equality applying to the languages of the Community must be maintained.

The development of joint cultural policies must respect and promote cultural diversity within the Union.

2.3 Community Policy

The revision of the Maastricht Treaty must above all ensure that Community achievements continue to develop and are actively promoted. Without affecting the transition to the third phase of EMU in accordance with the criteria and calendar laid down by the treaty, the following objectives are our priorities:

- completion and consolidation of the internal market, and
- more resolute action aimed at employment, a major preoccupation of Europe's citizens.

The Internal Market

Certain additional policies will have to be developed to shore up the internal market. What is required first and foremost is a common social base for all the citizens of the Union. To this end it is essential that we start off by integrating the contents of the Social Protocol into the treaty so that it applies to all the member states.

Where environmental protection is concerned, and to contribute to a more long-term development to which the citizens are entitled, we must clarify the provisions of the treaty with a view to enhancing the integration of environmental policy into other Community policies.

Finally, wherever it proves necessary for the smooth functioning of the internal market, we will have to develop the elements comprising a rapprochement of tax provisions.

Employment

Bearing in mind that the responsibility here lies primarily at the national level it is necessary that the treaty makes explicit mention of the complementary role played by the EU in the promotion of employment. On the basis of the current treaty the Union already makes a contribution toward the establishment of a favorable framework for creating jobs. However, the Union could contribute more toward bolstering Europe's competitiveness at global level while at the same time retaining our socio-economic achievements. The treaty's new provisions on employment should focus on achieving the objectives outlined below.

To mutually shore up each other's actions with a view to achieving the added value of a coordinated policy, the member states will have to ensure that their respective employment policies are coordinated in particular by means of recommendations drawn up each month by

the Commission and approved by the Council. In this context, particular attention will be paid to:

- measures designed to improve the functioning of the labor market and to boost mobility;
- measures in the field of training;
- obstacles braking an increase in the number of jobs;
- measures influencing labor costs;
- measures aimed at facilitating the access to the labor market for people who are disadvantaged in that respect.

By respecting the provisions on budgetary discipline that are currently in application, the Community must allocate more of its existing funds to investments that create jobs in the member states, particularly where these investments entail a transnational advantage.

An Employment Committee must be set up to follow up with issues relating to employment and draw up expert advice on this subject.

A European strategy for promoting employment will bear more fruit when the social partners are enabled to make an active contribution and assume their responsibilities, including at European level.

This role is already explicitly recognized in the aforementioned Social Protocol, which is one more reason to include this protocol in the Treaty on European Union.

2.4 The Union's Foreign Policy

Coherence of This Policy

What is lacking is unity of action in the Union's foreign policy. The three aforementioned countries attach great importance to the coherence of all action taken by the Union abroad, taking account of the single institutional framework.

In order to guarantee the unity of the Union's representation abroad, they underline the need to strengthen the role played by the Commission. At the same time the rules concerning the activities and relations between the Commission and Council must be redefined.

The Common Foreign and Security Policy (CFSP)

If the EU intends to implement a credible foreign and defense policy on its own continent and throughout the world it will need to shore up the CFSP. This is because the CFSP is clearly weak, regarding both its drafting and decisionmaking, as well as its implementation.

Elaborating the CFSP

The elaboration of a genuine foreign policy that is capable of anticipating and taking initiatives presupposes

adequate instruments. These will have to be situated at three levels:

- The Commission, which already has a right to take initiatives, should make full use of this right.
- An Analytical and Planning Unit will have to be set up, entailing close cooperation between the member states and the Commission, and possibly the Secretariat of the WEU (Western European Union). The member states could also improve the exchange and analysis of their information. This concentration of information will help to enhance the capacity to draw up and define common political objectives with a view to preparing joint actions. This unit could be led by a senior official to be appointed by the Council of Ministers with the Commission's approval and it could submit opinions to the Council and the Commission.

- The EU must be capable of taking rapid, continuous action in the domain of CFSP. So the member states' capacity to consult each other in Brussels between the meetings of the Policy Committee will have to be enhanced by establishing a standing group which would function within the existing structures of the Council's preparatory work.

Decisionmaking Within the CFSP The unanimous voting requirement often paralyses the decisionmaking process. Alternatives will have to be envisaged that take account of essential national interests. For instance:

- the form of a "partial consensus" or of a strengthened qualified majority;
- decisionmaking by a qualified majority for some sectors of CFSP which remain to be identified;
- decisionmaking by a qualified majority if the proposals come from the Commission.

Implementation of the CFSP

The implementation of the Union's decisions requires the pooling of the human and material resources which the Union and the member states have at their disposal. This implementation will be entrusted to the Commission or the presidency on a case-by-case basis.

- The Commission will implement joint actions that have to be carried out on the ground or which are closely associated with the activities of the first pillar.
- The Council and Commission could appoint special representatives to be placed in charge of implementing special decisions relating to the CFSP and report back to the Council on their missions.

- The presidency, in conjunction with the Secretariat of the reinforced CFSP, or the Commission and special representatives mentioned above, will implement decisions essentially requiring steps to be taken, the adoption of positions, diplomatic negotiations, and political dialogue.

Another prerequisite for improved implementation is that funding via the Community budget becomes the rule. In this context account should be taken of the specificity of the CFSP. Agreements between the Council and European Parliament must allow for flexible management of the budget.

2.5 Defense: WEU/EU

Full use must be made of the possibility presented by the IGC to consolidate the identity of the EU where defense is concerned. The mandate in this area is already included in the Maastricht Treaty. The interaction of foreign, security, and defense policy calls for the development of a defense policy by the Union. This is essential for an effective external and credible solution. The WEU's contribution to the IGC constitutes an excellent basis for the IGC negotiations.

Foreign, security, and defense policy cannot be properly integrated until the WEU is included in the second pillar of the EU. The integration of the WEU will have to take place gradually. The 1996 IGC could make a decision in principle and fix the calendar for full integration.

Until the EU and the WEU have merged, the three aforementioned countries are in favor of a rapid and very close institutional rapprochement between the two Unions, so that the EU Council can instruct the WEU to implement the military involvement pursuant to decisions made by the Council within the context of the CFSP.

The three aforementioned countries believe that the second pillar of the Maastricht Treaty must henceforth include the Petersberg missions and collective defense, it being understood that the implementation thereof will remain anchored in the Atlantic Alliance with which the EU is called upon to establish specific links in the area of defense.

A strong Atlantic Alliance and the maintenance of the military presence of the United States in Europe are fundamental to a common security and defense policy. At the same time the European pillar of NATO must be strengthened by a more closely specified contribution by Europe to security and defense, both in Europe and elsewhere. In this context, the rapid development of the CJTF (Combined Joint Task Force) within NATO is essential if joint European actions with military

implications are to be carried out. These joint actions must be carried out in a complementary and transparent manner vis-à-vis the other allies.

The commitment of Armed Forces shall continue to be a matter of national competence. The decisionmaking processes to be designed at the IGC must ensure that no country is forced to participate in a military operation. Nor must those countries which do not wish to participate be able to prevent other countries from so doing or hinder the financial solidarity that a joint action demands.

Finally, the three countries in question believe it is time to strengthen European cooperation in the arms industry.

2.6 Cooperation in the Area of Justice and EU-Internal Affairs

The established inadequacies of the CFSP are also clear at the level of cooperation within the context of the third pillar. Yet it is precisely here that more dynamic action is required at EU level. The free circulation of people has not yet been achieved. The abolition of EU-internal borders makes it necessary to adopt measures in the areas of immigration and asylum, but also in the fight against organized crime. Citizens have certain expectations when it comes to increasing EU-internal security, expectations which most member states can only meet by taking part in a joint action implemented within the framework of the Union.

Insufficient progress in cooperation are primarily due to the institutional structure of this pillar. The IGC constitutes a chance to profoundly reform this structure, both by transferring areas of action to the first pillar and by strengthening the third pillar itself.

The advantages offered by the Community method by way of effective decisionmaking, the obligatory nature of decisions, and democratic and legal control are clear. So the first thing to do is identify which areas of action currently covered by the third pillar would be better off being dealt with under the first pillar. This applies above all to areas that are associated with free circulation and immigration policy, in other words most of all asylum and visa-related issues. In these areas the Union must have clear objectives and a precise calendar for achieving them.

In some areas, especially regarding criminal law and policing, such as the fight against crime and drugs trafficking, the third pillar provisionally offers a framework for cooperation, provided that sufficient measures are taken to make cooperation more effective. To this end the three aforementioned countries propose the following improvements to the third pillar:

Preparing for Decisions

The Council and the Commission must reach agreement on multi-annual working programs to establish who submits proposals and at what time. This also means that the Commission must have a joint right to take initiatives in all areas covered by the third pillar. The European Parliament must have a right of consultation for each legislative proposal, just like the consultation procedure provided for in the first pillar. In ways that are yet to be defined by each member state, the national parliaments must be involved in good time before any decision is made by the Council.

Decisionmaking

The extent to which any decisions made are obligatory must be clarified. To this end, the idea of the directive as existing in the first pillar could serve as an example.

We must establish in which areas decisions can be made by a qualified majority or in line with a variant of 'consensus-minus'.

Implementation

Bearing in mind the nature of cooperation here, it will primarily be the member states that are responsible for implementing decisions. That is why it is all the more important for uniformity to be guaranteed when it comes to interpreting the rules. This can only be done by making the European Court of Justice competent in this respect, as it is regarding the prejudicial procedure provided for in the EU Treaty which has proved to be of great value to the unity of Community law.

Schengen

Cooperation within the context of Schengen must be incorporated into the Treaty on European Union. The achievements of Schengen must be preserved and developed via the Union's institutions, with all the advantages this entails.

3. Institutional Questions

The efficiency of the decisionmaking process and the management of the Union must be bolstered, especially with a view to enlargement. Greater efficiency also requires democratic responsibility.

Subsidiarity and Transparency

The three aforementioned countries attach great importance to stronger application of the principle of subsidiarity, which will have to be applied within the framework of an appropriate procedure, without this necessarily involving any modification of the treaty itself. However, application of the principle of subsidiarity must

not be allowed to lead to a dismantling of community achievements. Instead it must serve to clearly establish when — and why — action is required on the part of the Union.

They are also in favor of greater involvement by the parliaments in member states in the business of the Union, leaving each member state to apply this principle according to its own constitutional practices.

Aware of the importance that greater transparency represents with respect to European citizens' confidence in the Union, the three aforementioned countries wish to reinforce this, especially with respect to:

- citizens' right to access information;
- greater publicity of deliberations by the Council when acting as a legislator;
- the simplification of treaties to make them more easily readable;
- enhancement of the quality of Community legislation.

The Commission

The Commission plays a central role within the European Union. Without losing sight of national interests it serves the general interests of the Union. It is the driving force of the Union.

The three aforementioned countries attach great importance to the consolidation of the role played by the Commission and the reinforcement of its competencies. Within the context of the first pillar the Commission must retain its exclusive right to take initiatives and secure greater prerogatives when it comes to executing this right. The Commission must also be given a greater role in the second and third pillar.

At the same time, the enhancement of its role calls for greater political responsibility vis-a-vis the European Parliament for the Commission and its members. Its budgetary responsibility should also be enhanced, in particular by improving the position of the European Court of Auditors.

The Commission must have one person representing each member state. The IGC should actively look for ways that will enable it to continue to guarantee the Commission's efficiency after enlargement of the Union.

The European Parliament

The three aforementioned countries set great store by the democratic legitimacy of decisionmaking at the European level. That is why they are in favor of extending the scope of application of the co-decision procedure to include most legislative areas covered by a qual-

fied majority. This procedure must also be simplified as far as possible, and an attempt must be made to reduce the number of procedures to three: advice, assent, and co-decision. The European Parliament must be more closely involved in decisionmaking in the second and third pillars on the basis of adequate information provided in good time by the Commission and the Council. The importance of greater responsibility vis-a-vis the European Parliament for commissioners has already been discussed.

The Council

The Council's efficiency and working methods must be improved.

To this end, the three aforementioned governments maintain that the use of the qualified majority must be extended. In an enlarged Union the qualified majority should be maintained at approximately 70 percent of the votes. A demographic criterion could be used to verify whether the qualified majority corresponds to the majority of the EU's population.

The three aforementioned countries are in favor of improving the functioning of the current system of rotating the presidency so as to increase continuity. The proposals outlined above with a view to reinforcing the Union's foreign policy, better preparation and coordination between the successive EU presidencies, and a more prominent role for the Troika, especially with regard to political dialogue.

The Court

The European Court of Justice ensures that the law is respected and therefore fulfills a key function in the process of European integration.

The competencies of the European Court of Justice must not be reduced. They must be extended to include cooperation in the areas of justice and internal affairs (JAI).

The Court of Auditors

Within the context of the fight against fraud and the defense of the Community's financial interests the role of the Court of Auditors must be enhanced, working in collaboration with the national courts of auditors.

Belgium

Belgium: Dehaene on Prospects for IGC

*BR260110596 Brussels DE MORGEN in Dutch
25 Mar 96 op 1.3*

[Interview with Belgian Prime Minister Jean-Luc Dehaene by Renaat Schrooten; place and date not given. "Dehaene's Pessimism Causing Confusion"]

[FBIS Translated Text] "The Belgian Government sticks to its objective of reducing the budget deficit to three percent as of this year. The budget review will have to establish how this goal can be achieved." The prime minister's cabinet hastily issued this statement when the consequences of certain statements by Prime Minister Dehaene threatened to get out of hand last Saturday. The fact remains, however, that the Government is indeed looking for at least 20 billion Belgian francs in additional cuts.

In the margin of a CVP [Christian People's Party] colloquium on the European Union's future, the prime minister stated in a radio interview that "we must achieve three percent" in 1997 no matter what. That year's budget level is one of the Maastricht criteria for joining the European Monetary Union. "I will not hide the fact that the slackening in the economy is not making things any easier," Dehaene added.

He said nothing about 1996 nor about the agreement to reach the three-percent criterion this year. This created the impression that Dehaene thought the three percent would not be achieved this year. Apparently, this interpretation was a little too explosive. The statement that "the 1996 objective was not in question at any time" was therefore intended to straighten things out. This did not keep Herman De Croo, VLD [Flemish Liberal Democrats] chairman, of the liberal opposition from claiming after Dehaene's statement that the government policy had "failed."

In any event, the budget review's final round to be held within a few weeks, will be very tough. Last year's deficit amounted to 4.5 percent. This year's budget was drawn up on the basis of a three-percent deficit. In the meantime, however, the economic growth forecasts have been reduced from 2.2 to 1.6 percent. In spite of the low interest rates, which have made public debt cheaper, Budget Minister Herman Van Rompuy (CVP) said one month ago that at least 20 billion [Belgian francs] in additional cuts must be found. It is no coincidence that Dehaene's statements were made during a meeting on Europe. Next Friday, the Intergovernmental Conference (IGC) will start in Turin. It is meant to prepare the European Union's future. The various parties have seized the occasion to readjust their European views.

This week, DE MORGEN will focus on the IGC every day. Our first discussion is with the prime minister, during an interview with this newspaper.

The European Job Miracle Does Not Exist

Prime Minister Dehaene does not hide the fact that the IGC, which will start in Turin next Friday, will be very difficult. For the time being, however, he sticks to his motto that "problems must be solved when they occur." And yet, Dehaene also has a *conditio sine qua non*: "The unanimity rule for European decisions must disappear." An interview.

[Schrooten] The soccer player Jean-Marc Bosman uses European legislation to make a fool of the national soccer association, and the refusal to extradite the Basque couple Moreno Garcia has led to a confrontation with Spain, a fellow Union member state. Are we sufficiently aware of what the consequences of the European Union are?

[Dehaene] Apparently not. The soccer association underestimated the European Treaty. It adopted an inflexible attitude, and thought it was above all laws. This attitude ruled out the chance of negotiations. As far as the Basques are concerned, the problem of extradition for political reasons should not exist. However, this is yet another example where the application of the European Union's rules collides with a member state's internal justice system.

[Schrooten] Many observers expect that Europe's real crisis will break loose during the IGC. You also referred to such a crisis in the Belgian Senate.

[Dehaene] Do not make me say more than what I actually said. I did not say there would definitely be a European crisis. There is a chance of us reaching a deadlock. That is quite different. The IGC will be difficult. Another potential crisis period could occur when it is decided who will join the monetary union. The Union's enlargement is a third risk area. The latter will have to be achieved, but if certain countries want to force the enlargement through without first organizing the Union's functions, the Union's character could be jeopardized.

[Schrooten] Suppose a crisis breaks out. Some countries argue that in that case one should simply throw out the trouble-makers and go on with —

[Dehaene] You can go on like that, I will not answer you anyway. In my opinion a crisis is an extreme. Let us first try to get somewhere. The problem of differentiation in Europe already exists, this has nothing to do with a crisis. Some countries take part in a specific project, others prefer to stay out of it. This principle is applied in

to monetary union, for instance. Not all member states are ready to participate. That does not mean there is a crisis.

[Schrooten] The IGC could refine the Maastricht Treaty on some important point. Internal security, justice, the fight against international crime, immigration. However, these changes require unanimity. Great Britain, for one, does not agree with these changes. So isn't the issue deadlocked from the very outset?

[Dehaene] Well, it is certainly clear that every country wants to position itself on the eve of the IGC. I have indeed found out that there are two extremes. On the one hand, we have the European Commission's document which is largely supported by the European Parliament. On the other hand, we have the British document. We shall see how far we can get. Maastricht has shown that this can be further than anticipated.

[Schrooten] Is this attitude — "We shall see how far we can get" — not one of the reasons why public opinion is turning away from Europe?

[Dehaene] If one accepts that, there is no need to negotiate. In this respect, there is no difference between European negotiations and the talks about the Belgian state reform. On this issue, there were differences of opinion between the Flemish, the inhabitants of Brussels, and the Walloons. Here in Belgium we had to be very creative, with asymmetric solutions and the like.

[Schrooten] Some people also think that Europe could contribute considerably to reducing unemployment. Isn't this a dangerous promise?

[Dehaene] We must indeed be careful not to use Europe as an alibi. Europe should be a steppingstone rather than an alibi. We did make this mistake when we prepared the monetary union. We created the impression that the budget stabilization had to be carried out because of Europe. Whereas this was a process which had been initiated a long time ago. I plead guilty in this respect. So we must not create the illusion now that Europe will solve our unemployment problems. However, claiming that Europe is a purely financial and economic structure and that employment is a national issue, is another extreme with which I disagree.

[Schrooten] Would you accept that the European Treaty after the IGC would stipulate that unemployment in every member state must be reduced for instance to five percent within a period of five years?

[Dehaene] (fiercely) No. Because this would create the impression that the authorities have full control over these problems, which is not true. Public debt

is an element for which the government is directly responsible, and on which it has a direct impact. On this I am willing to accept such a commitment. One can aim at an objective for the unemployment problem. But it is impossible to specify a target figure in a treaty, nor a deadline to achieve this figure.

[Schrooten] You want to incorporate the European social agreement into the treaty. Do you consider this to be a breaking point for the IGC?

[Dehaene] (laughing) Another question that will not help you any further. Let me just say that it is an objective.

[Schrooten] In the same context, some people want to lay down certain social rights in the Treaty, such as the right to a job. This right also exists in Belgium, where unemployment is at 14 percent.

[Dehaene] Let us be quite clear with each other. It is not unimportant to subscribe to certain principles in various basic documents — and the European Treaty can definitely be regarded as a kind of European constitution. This is certainly a measure which has a more than negligible political impact. Even if it does not solve anything in itself.

[Schrooten] Are you in favor of fiscal authority for the Union, as a next step to monetary authority?

[Dehaene] It already exists to a certain extent. And the Belgian Government has been convinced for a long time that the Union should have more revenues.

[Schrooten] So you are not opposed to direct European taxes in the form of surtaxes, for instance?

[Dehaene] No.

[Schrooten] These taxes could help the less developed European regions within the monetary union's strict straitjacket. Right now we have the structural funds. But these funds are hardly effective.

[Dehaene] You say so. Ireland would never have reached its present level without the funds. Countries such as Portugal and Spain would never have any chance of joining the monetary union without the convergence funds.

[Schrooten] The partial cancellation of unanimous decision-making will be one of the IGC's key issues. However, the decision to do away with unanimity would have to be made unanimously.

[Dehaene] I have never claimed that the IGC would be an easy conference. However, if we do not succeed in partly lifting the unanimity rule, the IGC has no use as

far as I am concerned. It is the only way to keep Europe viable if more countries join the Union.

[Schrooten] So a breaking point after all.

[Dehaene] European decision-making must indeed be refined. I can tell you at the same time there should also be more balance in that decision-making, for example between the big and small countries. We should make the number of votes dependent on a member state's size.

[Schrooten] A last question. Will more Europe not increase aversion to "Brussels" — the story of the almighty European bureaucracy?

[Dehaene] I can tell you that the European Community's administration is smaller than that of a city such as London.

UK: IRA Said Considering 'Conditional' Cease-Fire
MS2603113096 Belfast THE SUNDAY TRIBUNE
in English 24 Mar 96 p 1

[Report by Ed Moloney: "Republican Chiefs Favour Conditional IRA Ceasefire"]

[FBIS Transcribed Text] The IRA leadership is considering declaring a conditional ceasefire in which the August 1994 cessation of violence would be restored but only in return for the British government dropping its demand to decommission its weapons in parallel with all-party talks. The Sunday Tribune has learned.

This appears to be emerging as one of the main options being debated by the republican leadership as pressure mounts on the IRA and Sinn Fein to respond to British and Irish government moves to clear the way for the start of all-party negotiations on 10 June.

Faced with the choice of a straight acceptance or rejection of the terms for joining all-party negotiations, the alternative option of a conditional IRA ceasefire is being favoured in senior republican circles primarily because it could switch the onus of responsibility for a return to full-scale violence from the IRA to the British government.

Republicans also believe that they could mount a strong defence of the notion of a conditional ceasefire because of the precedent set by the loyalist paramilitary ceasefire. This was also a conditional cessation but it was readily accepted as a bona fide exercise by both the British and Irish governments.

The Combined Loyalist Military Command statement of October 1994 said that the survival of the ceasefire declared by the UDA [Ulster Defense Association], UVF [Ulster Defense Force] and Red Hand Commando was dependent both on the constitutional position of North-

ern Ireland being upheld and the continued cessation of "all nationalist/republican violence". Neither of these conditions proved to be a barrier to either government talking to the loyalist parties.

A major factor in the minds of republican leaders, according to northern sources, is that a conditional ceasefire would be the only way to guarantee the IRA and Sinn Fein did not split. Republicans fear that if the IRA declared a ceasefire to allow Sinn Fein enter all-party talks while parallel decommissioning remained on the agenda, both organisations could sunder.

The proposal confirms the view that the continuing demand for IRA decommissioning remains the single largest obstacle in the way of the IRA ceasefire being restored. A visible hardening of republican views on the issue came in an IRA newspaper interview two weeks ago and in an IRISH TIMES article written a week ago by the SF president Gerry Adams.

The IRA spokesman dismissed any possibility of decommissioning before a settlement. He said: "Whenever and however the British demand for an IRA surrender is raised we can and will have only one answer: there will be no decommissioning either through the front door or the back door. This is an unrealistic and unrealisable demand which simply won't be met". Mr Adams called for a process in which "there should be no demands that cannot be delivered such as decommissioning".

The significance of both statements is that they followed the 28 February joint communique in which the two governments sought to soften the line on decommissioning. The communique implied that while the parties involved in negotiations would need to "address" the Mitchell report at the outset of talks they would also have to reassure Sinn Fein that the talks would be meaningful.

Germany: Kinkel on IGC; Rules Out Postponing EMU

BR2603131396 Rome LA REPUBBLICA in Italian
26 Mar 96 p 13

[Interview with German Foreign Minister Klaus Kinkel by Andrea Tarquini in Bonn; date not given: "Do Not Fear Europe"]

[FBIS Translated Excerpt] Bonn — [passage omitted] [Tarquini] Minister, why is Bonn attending the [IGC] summit without a program document?

[Kinkel] We have already stated our position clearly. We wish to bring the EU closer to the citizens, to make its decisionmaking processes more transparent, to prepare for the next stages of expansion, and to make EU foreign policy more capable of working. Above all we need an improvement in the decisionmaking processes: in particular, an extension of the scope of majority-vote decisions also to the foreign and security policy areas. Of course there will be issues in the future, too, on which we will have to reach unanimous agreement: for instance, decisions affecting our own resources, decisions on membership, and decisions on modifications to the treaty.

[Tarquini] Wolfgang Schäuble says postponement of monetary union is "not unlikely."

[Kinkel] The coalition is firmly determined to initiate monetary union by the planned deadline. Only through monetary union can we lay the foundations on which to build prosperity in Europe. We must protect European competitiveness on the world markets, we need a stable currency to face up to the dollar and the yen, and we must prevent the needless waste caused by fluctuations in exchange rates and speculation.

[Tarquini] Polls show that a majority of Germans rejects abandoning the mark...

[Kinkel] Naturally, in the German people's view, the mark is the symbol of postwar reconstruction. Many people find it difficult to wave good-bye to it. We still have a lot of persuading to do, and we still have to make it clear that monetary union is not monetary reform. Savings and purchasing power will remain unchanged.

[Tarquini] But do you really believe that the coalition can win the 1998 election by strenuously defending the Maastricht treaty?

[Kinkel] Yes. Achieving the Maastricht criteria means economizing, consolidating, and limiting the budget deficit. At the same time it is a formula and a basis for economic growth without inflation.

[Tarquini] Do you not fear that Lafontaine's slogan — "It is preferable to be populists than to be unpopular" — may become a bitter truth?

[Kinkel] That is not a truth which a responsible politician can accept. People who think along those lines overlook another truth: namely, that populism does not make you popular when all is said and done, and without solid popularity you cannot win elections. When it comes down to it, the electorate assesses things far more carefully than some politicians think.

[Tarquini] But Germany, too, is now having difficulty in meeting the Maastricht criteria. Would a postponement or a softening of the criteria not be more reasonable?

[Kinkel] No, because that would weaken every country's commitment to achieving stability. People who propose softening the criteria or postponing phase three of monetary union seek solely to circumvent reforms which are in any case necessary.

[Tarquini] Do you not see Maastricht stringency as an obstacle to development and employment?

[Kinkel] No, the converse is true. The criteria constitute an effective concept for economic redress. Already as things stand now they assure low inflation rates in Europe.

[Tarquini] What chance do you think Italy has of joining monetary union, either from the start or at a later stage?

[Kinkel] I refuse to pontificate, especially since right now Germany itself has yet to achieve its planned objectives. It is true that initially monetary union will include only some of the EU member states. But at its outset it will consolidate the dynamics of stability which are already in place in the EU countries. That applies also to those not in a position to join from the start, since candidates for the second round do not want to miss their chance.

Germany: Article Predicts Kohl Chancellor Candidacy

LD2503204496 Munich ARD Television Network
in German 1900 GMT 25 Mar 96

[FBIS Translated Text] Peter Hintze, secretary general of the Christian Democratic Union [CDU], continues to enjoy the confidence of the chancellor Helmut Kohl today described reports about an imminent replacement of the CDU party manager as false, saying he will nominate Hintze for the post again at the party conference in the fall. Martin Schulze in Bonn.

[Schulze] There is much more behind this somewhat inconspicuous report than first meets the eye. In saying

he will renominate Peter Hintze as CDU secretary general, Helmut Kohl covertly revealed something many have so far tried in vain to elicit, namely that he will again run for chancellor as the CDU/CSU candidate in 1998.

The reasoning is simple. The secretary general is traditionally the party chairman's man. Therefore, Helmut Kohl will again assume the party chairmanship in the fall, otherwise today's announcement makes no sense. And, since it has also been confirmed by the Chancellery that Helmut Kohl is still determined that the positions of party chairman and chancellor are held in the same pair of hands, this allows only one conclusion: Helmut Kohl will again stand as the CDU/CSU candidate for the office of chancellor.

Germany: Press Views Landtag Election Results

AU2503144396 *Cologne Deutschlandfunk Network in German 0605 GMT 25 Mar 96*

[FBIS Translated Text] The press today comments on the outcome of the landtag elections in Baden-Wuerttemberg, Rhineland-Palatinate, and Schleswig-Holstein. FRANKFURTER ALLGEMEINE writes: The sound of trumpets from Baden-Wuerttemberg, Rhineland-Palatinate, and Schleswig-Holstein can be heard in Bonn: The Free Democratic Party of Germany [FDP] is alive. It has scored brilliant successes and will continue to be represented in the three provincial parliaments. In Stuttgart, it will form a new government with the Christian Democratic Union [CDU]. In Mainz it could do the same on the basis of the current figures. The Social Democratic Party of Germany [SPD], however, has not recovered under Lafontaine. It will have to rely on the Greens to an increasing extent if it wants to form alliances, even though the Duesseldorf example is rather deterring. The campaign of the Saarland minister-president and of the top candidate in Baden-Wuerttemberg, Spoeri, against the resettlers has not helped the SPD.

The daily DIE WELT comments on the results of the elections in the following way: A great deal suggests that nobody will have to change their ways. The old minister-presidents will in all likelihood also be the new ones. Heide Simonis, who has ruled on her own so far, will need a partner after the stinging defeat for the SPD. Erwin Teufel has clearly missed the objective of an absolute majority, but has gotten rid of the unloved grand coalition. Thus, when drawing up a balance sheet of the landtag elections, one must say that an earthquake has not taken place.

The Erfurt-based THUERINGER ALLGEMEINE comes to the following conclusion: The FDP, which

was struggling for its survival, is the biggest winner of the elections. Nevertheless, the liberals should be careful when talking about a reversal of the trend. In view of the budget gaps, they will have little opportunity to present themselves as tax reducers. Moreover, the FDP-led Economics Ministry will be expected to curb unemployment as an initial measure. However, no measures were proposed here by the FDP, which could have led the party out of the low.

FRANKFURTER RUNDSCHAU states: The FDP is noisily celebrating itself as the big winner of the three landtag elections and feels that it has mastered the crisis. However, it cannot pretend that credibility and a convincing program helped it overcome the 5-percent hurdle. Thus no major changes can be expected in the German laender, at least much smaller ones than Alliance 90/The Greens had hoped for. In spite of considerable gains — the Duesseldorf coalition crisis caused surprisingly little damage — the ecological party did not achieve its declared goal of making the alternative Red-Green more attractive in the laender.

WESTDEUTSCHE ALLGEMEINE ZEITUNG arrives at a different conclusion: The results signal that the campaign of the CDU/Christian Social Union and FDP designed to fan fears of a Red-Green chaos has apparently been successful again. One can assume that the events in North Rhine-Westphalia, the quarrel between the SPD and the Greens, had a negative impact on the mood throughout Germany. The Oskar Lafontaine effect has failed to manifest itself. The SPD is stagnating at a low level. Scharping's fall and the election of the Saarland minister-president as party chairman have so far not paid off. The social democrats will have to think about their future strategy and their program. This also applies to their campaign aimed at postponing European monetary union, as well as for Red-Green as the only alternative to the Kohl-Kinkel coalition in Bonn.

SUEDDEUTSCHE ZEITUNG takes a closer look at the performance of the social democrats. The SPD is a perfect example of the following sentence: Power wears out those who do not have it. Those who vote for the CDU know approximately what they are voting for. The same applies to those who vote for the Greens. Those who voted for the FDP knew that they were voting in a roundabout but very efficient way for the Bonn coalition. This explains the FDP's success. However, those who vote for the SPD today do not know what they can expect. This is the simple but plausible explanation for the election results in the three laender. The power constellation in the Republic will not change a great deal after the landtag elections. The members of the Bonn coalition will slap each other

on their backs. The non-/ rumors about an upcoming grand coalition will subside again, and there will be no changes concerning the deficit in the settlement of problems.

NEUE PRESSE in Hannover also deals with the significance of the landtag elections for Bonn. It asks: What did the voters want to tell the politicians in Bonn? That they have confidence in their government? That everything should remain as it is? Probably not. Germany is confronted with a political paradox. Nobody denies that the country is in a bad state. But it is not the largest opposition party at the federal level that profits from the crisis but the smallest government party.

MITTELDEUTSCHE ZEITUNG, published in Halle, stresses: The results will naturally not fail to have an impact on the party headquarters in Bonn. All parties can feel confirmed. There were surprises for the FDP and disappointment for the SPD. The gains of the FDP are indeed opulent. Yet it remains to be seen whether

Wolfgang Gerhardt will be capable of making use of them. SPD leader Lafontaine will need some time to digest the outcome. The decisive question is whether the political standstill can be overcome. At first sight, the election results do not suggest that.

FREIE PRESSE, published in Chemnitz, fears that nothing will change in Bonn after yesterday's landtag elections. However, since the old situation is not exactly rosy, this is no breathtaking news. In fact, the bourgeois government emerged strengthened from the polls, but quick decisions are not to be expected because it will be difficult to reconcile the FDP's demands for tax reduction and drastic austerity measures in the social sphere with the ideas of the social democrats, who have been a partner in the government for a long time via the Bundesrat. Thus, lengthy mediation procedures and half-hearted compromises can be expected. In short: The fertility crisis of German politics enters a new phase.

France: De Charette on U.S. Bosnia Rearming, Withdrawal Plans

BR2503150696 Paris LE FIGARO in French
25 Mar 96 p 5

[Report by Baudouin Bollaert: "Bosnia: France Delivers Dressing-Down"]

[FBIS Translated Text] "France will not remain associated much longer with the present exercise." Herve de Charette is not satisfied with the way in which the Dayton accords on Bosnia are being applied and said so, without mincing words, during a special meeting of the Contact Group in Moscow on Saturday [23 March].

France will not be leaving Bosnia soon. But the lecture — or the last-ditch struggle — by its foreign minister is aimed in two directions: It seeks to remind the former belligerents on the one hand and the United States on the other of the basic principles of the accords signed officially in Paris on 14 December last.

With the current process entering today into a phase which is more civil than military, Mr. de Charette denounced the way things are "going off-course" with the situation moving more "in the direction of separation" than "in the direction of peace." The fact is that the unity of Bosnia, with the organization of free elections and the maintenance of the country's multi-ethnic character, should, in his view, remain the cornerstone of the accords.

American Debts

For France, one of the most urgent problems to be settled is that of the 214 prisoners of war still held by one or the other of the opposing forces. At its proposal, the Contact Group has made the holding of the "conference on reconstruction," scheduled for 12 and 13 April in Brussels, conditional on their release.

The World Bank has estimated the cost of this reconstruction at 25.5 billion francs over three years (1996-1999), with the EU already committed to paying one third of this sum.

Another concern: The preparation of parliamentary elections in September, linked, in part, to the return of the refugees or "displaced persons." According to the United Nations, these number more than 2 million, including 370,000 abroad. And 50,000 inhabitants of Serbian origin have recently preferred quitting Sarajevo rather than live under the Bosnian authorities.

"What purpose does it serve to participate interminably in a process which has shifted away from its objective?" Mr. de Charette was asking in Moscow.

In addition to the former belligerents, he was also addressing his message to Washington. First of all because the United States are proving more inclined today to pay for the rearming of the country than for its reconstruction.

Combating ambiguities

Then because the Americans, who make up one third of the multinational force deployed on the ground, would like to quit Bosnia as early as this summer, and in any event before November's presidential elections. "It is important not to be obsessed with leaving as early as possible. The fundamental situation is more important than the timetable," the French minister stressed.

If the 20,000 U.S. soldiers leave, what will the 40,000 others do? "The Europeans have always said that they would leave too," Mr. de Charette replied. One more reason to combat the ambiguities and the delays which, in his mind, are watering down the effect of the Dayton accords. Before it is too late.

France: Missile Frigate To Be Delivered to Taiwan Apr

BR2503151996 Paris LE MONDE in French
25 Mar 96 p 4

[Report by Jacques Isnard: "France To Deliver the First of Six Frigates to Taipei"]

[FBIS Translated Text] The first missile-launching frigate ordered from France by Taiwan will be delivered at the beginning of April, in other words intentionally after the presidential election held in Taipei on 23 March. The vessel, named the Kang Ding, which weighs 3,500 tonnes when fully laden, is part of a contract worth more than 14 billion francs (Fr) for six ships of the same type.

Officially this contract, which was signed in 1991 under the code name "Bravo," does not exist. France doggedly maintaining the secrecy of the transaction at its client's request. In principle, once delivered to the port of Kaohsiung in the southern part of the island, the frigate should enter into service in the Taiwanese Navy in early May. The sixth and final vessel is scheduled to do so at the end of 1998. An option on another 10 ships of the same class remains in abeyance. The Taiwanese frigates are based on the French "stealth" (discreet) frigate La Fayette, which has just been taken into service by the French Navy.

According to Michel Le Hebel, LE MONDE's correspondent in Lorient where the frigates in question are designed, the Kang Ding should leave the port where it was built some time between now and 9 April. On

board will be a French crew that will officially hand the vessel over to the Taiwanese on the island of Reunion. In Lorient itself 100 Taiwanese sailors have been undergoing training for several months.

The Kang Ding is not armed, with the exception of its Crotale anti-aircraft missile systems and its French-made Dagale decoy-launchers. The remaining armaments will be fitted in the shipyards in Kaohsiung. Taiwan has mainly opted to arm its frigates with U.S. or locally manufactured equipment. Above all, the United States is providing close defense systems including Phalanx automatic guns, Sea Chaparral surface-to-air missiles, and Seahawk shipborne helicopters. Taiwan will install its own Hsiung Feng 2 anti-ship missiles, which are the improved version — with a range of 80 km — of the Israeli Gabriel missile manufactured under license in Taipei.

Cash Payment

Manned with a crew of something like 160 men, these oceangoing ships are capable of covering a distance of 12,000 km at a speed of 15 knots, or approximately 27 km per hour. The second frigate, dubbed the Si Ning, which is currently undergoing tests could be delivered before the end of the summer, and the third, named the Kun Ming, at the end of the year.

On top of this, Taiwan and France are signatories to a major contract dealing with the delivery of 60 Mirage 2000-5 combat aircraft plus an order of 1,200 Mica air-to-air aerial defense missiles, the whole contract being worth around Fr30 billion. The first Mirage is due to be delivered to Taipei in June 1997.

The two countries in question are also remaining silent about the details of this transaction, which was concluded in November 1992. As the French negotiators point out, all we know is that Taiwan usually pays for its arms purchases in cash and does not ask its suppliers for any financial contribution. Unlike China, the same sources underline.

As for the sale of the Mirage 2000-5 aircraft in particular, Taiwan has pledged to transfer 70 percent of the overall amount of the contract when the first delivery is made and to pay the balance when the 20th aircraft is delivered. Arms deal experts point out that this kind of arrangement is most unusual. In the present instance this will guarantee the industrial companies involved — Dassault for the airframe and Matra for the missiles — considerable cash assets.

In return the Taiwanese have imposed conditions on France that the same sources deem to be draconian or prohibitive, stipulating in particular the payment of extremely high compensation in the event that France

should fail to meet its commitments or — either partially or totally — not manage to execute the contract.

France: Juppe To Propose EU Social Memorandum at IGC

BR2503163696 Paris LES ECHOS in French
25 Mar 96 p 2

[Article by Jean-Michel Lamy: "IGC: Juppe Proposes a European Social Memorandum — Paris Will Submit a Social Memorandum to Its EU Partners at the IGC Which Starts This Friday"]

[FBIS Translated Text] How can the RPR [Rally for the Republic], which was recently split over European issues, be convinced to give its government a virtually unconditional green light for the Intergovernmental Conference [IGC]? By adopting an anti-Commission stance in its IGC proposals, by placing the Council of Ministers at the political center of gravity, and by topping the whole deal with a social memorandum intended for the electorate. This Wednesday [27 March] the Council of Ministers will examine this memorandum with a view to submitting it to its IGC partners at the end of the week.

These tactics by Alain Juppe toward the RPR's National Council have ended up paying off. And although he took the risk of "overshadowing" the so eagerly awaited analysis of Europe by Jacques Chirac, the prime minister can crow about having done the spade work where parliamentary affairs are concerned. At Community level, however, everything remains perilous.

Calling for a "European social model," as Alain Juppe worded it, is an ambition that is perfectly laudable and spontaneously understandable. Just like its variant, "to put people back at the heart of European construction." But the actual content is less transparent.

Minimum Rules of Play

A first proposal will aim quite simply to integrate the social protocol annexed to the Maastricht Treaty into the Fifteen's institutions. This protocol was put on track by Francois Mitterrand in Strasbourg back in December 1989, when he was president of the European Council! And since then the United Kingdom has refused to hear any discussion on the subject. Which has made a major contribution toward paralyzing any genuinely Community-based approach.

The government's second objective is to press issues associated with citizen's rights, particularly the fight against drugs. In this respect the Netherlands, which is regularly accused of serving as a hub for drugs trafficking, is directly in the line of fire. "We must see

the harmonization of legislation in the various member states," the prime minister said. Furthermore, progress must be made in the European social dialogue — Jacques Santer is launching an initiative with this in mind — and defending the French-style public service (in actual fact it is likely that there will be a compromise on this issue).

Above all the aim is to reach agreement on the minimum rules of play defined by the member states. Where working conditions are concerned it would appear to be viable. Where the establishment of strong social rights is concerned, especially with a view to eastward enlargement, it will be tougher. Social dumping is even more complicated to regulate than economic dumping. But the public does have its expectations in this respect, and it is these that provide a good explanation for the tactical maneuvering. Nothing irritates Alain Juppe more than Philippe Seguin's exhortations on this subject. Hence a kind of race to thwart an allegedly hyperliberal approach. As for the "priority of employment," proclaimed so very readily, does it have any meaning at the level of the Community? The paradox is clear. It will be the traditional destroyers of Maastricht — led by Philippe Seguin — who call for more from Europe and it is its habitual defenders — led by Jacques Delors — who are calling for subsidiarity. In other words safeguarding the role of the nation state, the main organizer and body in charge of employment policy.

Delors' EU Realism

Indeed, speaking in Epinal, the National Assembly speaker has just called for "mechanisms of large-scale financial solidarity" within the context of a single currency. In other words, the European budget, which is currently limited to 1 percent of GDP, will have to be increased by a factor of three or four. That is leaving aside the fact that the future monetary union will not be a financial union and that it will be up to each member state to keep its house in order. And for once it would presuppose genuinely federal institutions to administer the whole set-up.

Jacques Delors is combating the tendency to wax lyrical about the social Europe with EU realism, thereby teaching not only the majority, but also his Socialist friends a lesson. On the basis of his extensive experience, he cannot fail to conclude that the White Paper on Employment, produced at his instigation, has been buried. In Turin, France certainly intends to refuse to award the funding that Jacques Santer is hoping to obtain to relaunch the major undertakings. The idea is to take money from the CAP (Common Agricultural Policy) budget surpluses, keeping the budget constant. Even if the figures are symbolic, the state of mind is im-

portant. Therefore the former Commission president is constantly stressing that convergence programs strictly respected by the Fifteen, and hence a form of economic cooperation that is as strongly developed as monetary policy, constitute the optimal basis for the labor market. It would then be up to each country to adapt to this at a local level.

"Harmonizing the legislation on work sharing or working hours, comparing experiences, taking measures to support small- and medium- sized companies, tackling major undertakings together. Can all this be done via a treaty? Can a treaty bring down unemployment?" European Affairs Minister Michel Barnier wondered recently in Copenhagen. Evidently there is nothing like the practical experience of working as a group of 15 on a daily basis for cutting European policy down to size.

France: Foreign Ministry on Upcoming U.S. Meeting, Bosnia

BR2603115996 (Internet) French Ministry of Foreign Affairs WWW in French 25 Mar 96

[Daily Foreign Ministry press briefing by Deputy Spokesman Yves Doutriaux to unidentified journalists at the Foreign Ministry in Paris on 25 March]

[FBIS Translated Excerpt]

Former Yugoslavia

[Doutriaux] The Contact Group met at the foreign minister level in Moscow on Saturday, 23 March. I draw your attention to several points in the final document that was adopted and which were highlighted by Foreign Minister Herve de Charette.

The Contact Group countries said that they were determined to have the Paris agreements on former Yugoslavia fully respected and implemented. This determination has made it possible to obtain the first positive results. The pressure we exerted enabled the release of 109 individuals who were held prisoner by the Bosnians during the war.

The prisoner release must be fully completed. The final document approved in Moscow says that the meeting on the reconstruction to be held in Brussels 12-13 April will not be convened if all the prisoners have not been released by then. The Contact Group asked the higher representative to propose additional sanctions if all the prisoners are not released.

Second, the Contact Group countries reaffirmed the higher representative's key role, and expressed their support for him.

Third, the election deadline in Bosnia-Herzegovina was emphasized. Everything should be ready by June so that the election campaign can take place during the summer and the elections can be held in September.

Finally, the minister warned against any arms race in the region. The negotiations on the control of weapons and the stabilization process in southeastern Europe must continue. [passage omitted]

Middle East

[Journalist] What can you tell us about the talks between Messrs. Pelletreau and Bauchard?

[Doutriaux] They discussed several issues in the framework of their regular meetings. I would like to raise one of the topics of this meeting, i.e., the follow-up to the Sharm-al-Shaykh Summit.

They took stock of the summit in view of a forthcoming working group meeting to be held in Washington in the near future.

Mr. Bauchard indicated that the meeting's agenda did not seem to reflect the orientations agreed upon at Sharm-al-Shaykh.

Mr. Bauchard insisted that the meeting's agenda should be balanced. We propose the following agenda: the conditions for implementing agreements already concluded in the context of the peace process; the problems posed by the closure of Palestinian territories; the issue of assistance to the Palestinians; and the fight against terrorism.

Mr. Bauchard also told Mr. Pelletreau that the European Union should co-chair the follow-up meeting. He added that we wanted the next follow-up meeting to take place in Europe. Finally, he said that France was ready to host that meeting.

[Journalist] Has a date been set for that meeting?

[Doutriaux] Not as far as I know.

[Journalist] What are the differences between the French and the U.S. agendas for the Washington meeting?

[Doutriaux] We want a more balanced agenda.

[Journalist] And the Americans want more focus on the fight against terrorism?

[Doutriaux] I said that we wanted a more balanced agenda, based on four points.

[Journalist] Do you question the Washington meeting?

[Doutriaux] No. I did not say that we questioned the Washington meeting. I said that we wanted a more balanced agenda.

[Journalist] Will the EU co-chair that meeting?

[Doutriaux] We insist that the EU should co-chair the meeting, as agreed in Sharm-al-Shaykh.

[Journalist] Without the Russians?

[Doutriaux] The Russians are also invited.

[Journalist] Could the meeting be chaired by the EU, the United States, and Russia?

[Doutriaux] In Sharm-al-Shaykh, the meeting was chaired by both the United States and Egypt. I am now talking about the working group. We gathered from the summit that the EU would co-chair the meeting.

[Journalist] Would France be ready to accept a chairmanship by the EU, the United States, and Russia?

[Doutriaux] We want the EU to co-chair.

[Journalist] With or without the Russians?

[Doutriaux] In any event, the EU must co-chair. This is how we understood what was agreed in Sharm-al-Shaykh.

Algeria

[Journalist] Did Mr. Bauchard and Pelletreau discuss the Algerian issue?

[Doutriaux] Yes, they did. The U.S. and French positions on Algeria are similar.

[Journalist] The positions may be similar but the means to meet the objectives can be different.

[Doutriaux] You know what the French position is. It is nothing new. We aim to avoid interfering in Algerian affairs.

[Journalist] Do the French and U.S. positions overlap?

[Doutriaux] You had better put the question to Mr. Pelletreau who made statements in Algiers. As far as we are concerned, we do not want to interfere in Algeria's affairs. We want an ongoing peace process to bring about the national reconciliation of the Algerian people. [passage omitted]

France: Foreign Ministry Comments on Elections in Benin

LD2503205396 Paris Radio France International
in French 1730 GMT 25 Mar 96

[FBIS Translated Text] France today gave its reaction to the elections in Benin. The Foreign Ministry noted the election of Mathieu Kerekou and paid tribute to the Constitutional Court.

Yves Doutriaux, deputy spokesman of the Foreign Ministry, said the following:

[Begin recording] [Doutriaux] We noted with satisfaction that those elections took place in a calm atmosphere and witnessed a large turnout. This witnesses the adherence of the Beninese people to their democratic institutions. The good operation of these institutions was shown by the great professionalism and impartiality demonstrated by the Constitutional Court. We wish to pay tribute to the Constitutional Court of Benin.

[Correspondent Donaig Leda] Do you now consider Kerekou as having been elected legitimately as president

of the Republic or will you wait for the results of the latest appeal submitted by President Soglo?

[Doutriaux] I would say that the ball is in the court of the Constitutional Court of Benin. It gave provisional results and announced that Kerekou won the elections but took care to say that those results were provisional while waiting for possible appeals. It is thus the duty of the Constitutional Court to express itself on this matter. [end recording]

Portugal: Gama Proposes EU-Africa Summit

LD2503213396 *Lisbon RTP Internacional Television in Portuguese 1900 GMT 25 Mar 96*

[FBIS Translated Text] Portugal today proposed the idea of a EU-Africa summit. The idea, presented by Portuguese Foreign Minister Jaime Gama, appears to have been well received. Gama does not want Europe to see Africa as a lost continent.

[Correspondent] The successive waves of refugees from different civil wars and their suffering in situations of virtual humanitarian breaking point, epidemics, and uncontrollable migration movements, the threat of spreading Islamic fundamentalism and on the positive side the economic dynamism that some regions are already familiar with, were the reasons invoked by Jaime Gama to turn Europe's attention to Africa.

[Begin Gama recording] Europe must not allow Africa to become a sort of lost continent. [end recording]

[Correspondent] It appears the message has been accepted. Important countries such as Germany, France, and England have given it their backing. Only the exact details of this initiative remain to be defined.

[Begin Gama recording] There is a feeling in Africa that Europe turns every which way — to Asia, Central and Eastern Europe, Latin America, trans-Atlantic dialogue, and that within Africa it turns to certain regions and certain more traditional programs, programs Europe was accustomed to, more usual schemes.

Now it is necessary to look ahead to the 21st century and to look above regional and sectorial frameworks. That is the role of top level political dialogue. This was Portugal's objective in bringing Africa to the EU: A partnership with Africa in the 21st century. [end recording]

Spain: Aznar Expects To Form Government in April
 LD2203120396 Madrid RNE-1 Radio Network
 in Spanish 0700 GMT 22 Mar 96

[FBIS Translated Excerpt] The president of the Popular Party [PP], Jose Maria Aznar, has expressed his hope of being invested prime minister and forming a government in April. In statements to TV-3, the television channel of the autonomous community of Catalonia, Aznar said that the negotiations with Convergence and Union are going well and that, with the commitment of all, Spain will have a stable, lasting government. Aznar recognized Catalan distinctiveness and the language policy of the Catalan regional government. Guadalupe Porras reports.

[Porras] Jose Maria Aznar said that the negotiations with the nationalists are going well and at a reasonable speed. The PP president thinks that a good climate has already been created in the talks and he said that he will meet [Catalan premier] Jordi Pujol again soon. Aznar is optimistic and thus hopes and wishes to be able to form a stable, lasting government next month, April.

[Begin Aznar recording] Personally I believe that things must be adapted not only to common sense but to the needs of the country, and in my opinion the important things ought to be resolved in April. And I hope that Spain will have a stable, lasting government in April. I hope and wish. With the commitment of all. [end recording]

[Porras] The PP president said that he is confident of governing with the support of the best and most effective parliamentary majority available, without specifying what formula he prefers, although he suggested that it may be a support of variable geometry, with varying degrees of commitment.

[Begin Aznar recording] That majority may even be a majority of variable geometry, so to speak; there may be varying degrees of commitment. But it must exist, which means that the Spanish people, the financial markets, investors everywhere, should know that in Spain there will be a stable government within a reasonable period of time. And that people know its policies and what it will do. [end recording] [passage omitted]

Spain. Party Leaders on Negotiations To Form Government

LD2303161496 Madrid RNE-1 Radio Network
 in Spanish 1300 GMT 23 Mar 96

[FBIS Translated Text] The leaders of the Popular Party [PP] analyzed this morning Jose Maria Aznar's progress in the negotiations on the formation of a government. The ground has been cleared, according to the PP leader,

and it will be covered without delay, but also without haste, with the month of April as the desired date for forming the cabinet.

In Bilbao, the Basque and Catalan nationalists also exchanged opinions. Inaki Anasagasti and Joaquim Molins appeared before the media as one man, in total harmony: An agreement is still far from mature, the document presented by the PP is insufficient, there is an historic opportunity, and it is preferable to wait a bit longer to achieve an agreement which will be lasting and will guarantee the parliamentary term, rather than just thinking about surmounting the investiture of Aznar. Santiago Silvan reports from Bilbao.

[Begin recording] [Silvan] The Basque Group [of deputies'] spokesman in the Congress, Inaki Anasagasti, announced an exciting parliamentary term in which the centrality of parliamentary activity will be restored. Joaquim Molins, CiU [Convergence and Union] spokesman in the Congress, was also optimistic after their meeting in Bilbao with Xabier Arzalluz, president of the PNV, although they acknowledged that the negotiations with the PP have not started yet and even that the document presented by Jose Maria Aznar is insufficient to start the process. Joaquim Molins:

[Molins] One cannot even speak of a document to start negotiations — one cannot negotiate via this document.

[Silvan] Molins referred with some humor to the PP leader's assertion that the road to an agreement is clear:

[Molins] Bearing in mind that we have at no time sought things which are not possible within the current constitutional framework, I am glad to know that Mr. Aznar thinks that the road is clear.

[Silvan] Both the PNV and CiU acknowledged the harmony between their parties after 17 years of parliamentary life, with many things in common but respecting each other's independence and the possibility of arriving at different conclusions in this negotiating process. However Joaquim Molins admitted that the opportunity that has arisen is very interesting.

[Molins] We, two sets of nationalists who are profound and historically significant in the state as a whole, might have an opportunity to transform the state [words indistinct] in a moment like this.

[Silvan] Anasagasti too admitted that the two autonomous communities face different challenges but this is no barrier to understanding.

[Anasagasti] But that is no obstacle to coordination between us when it comes to dealing with matters in general terms.

[Silvan] Another point of agreement is the need for the negotiating process to be resolute, taking the time that is needed and not rushing things because the investiture session and the continuity of government action are equally important.

[Molins] As important as the investiture session is the continuity of government action afterward. So, priority

must not be given to time pressure but to the proposals through which government action may be begun.

[Silvan] Both leaders said that the nationalists are not the only ones responsible for governability; rather, all the parties are responsible and especially the PP. [end recording]

Denmark

Denmark: Rasmussen on IGC Expectations, Goals

BR2603133496 Copenhagen BERLINGSKE TIDENDE (MAGASIN supplement) in Danish 24 Mar 96 p 2

[Interview with Danish Prime Minister Poul Nyrup Rasmussen by Ask Rostrop and Bent Winther; place and date not given: "The Conference Will Be an Uphill Struggle"]

[FBIS Translated Excerpt] [passage omitted] [BERLINGSKE TIDENDE] The Danes are extremely uncertain about what the Intergovernmental Conference [IGC] actually means. Is it not up to you to make it more relevant and slightly "sexier"?

[Rasmussen] Neither the Danish people nor the rest of Europe want to have slick words and advertising campaigns. There are too many people at the European Commission who believe that advertising campaigns can get people to love the Union. They cannot, nor should they be able to. People want to see action. And they are very good indeed at seeing through beautiful declarations and holding them up against concrete action.

On the other hand it is of decisive importance that the populations be told what the conference is about. And in doing so we want to adopt as open an approach as possible — among other things to tell them about the difficulties involved.

Because the conference is all about how to get the EU to deal with solving those issues that are on people's minds. Issues like unemployment, the environment, and the fight against crime. The conference should supposedly result in us equipping the Treaty with the tools required to enable the EU to make a greater contribution towards solving some of these problems.

We Must Not Just Follow the Big Countries

[BERLINGSKE TIDENDE] But how do you intend to ensure that this long conference, characterized by the participation of civil servants reaches the people and engages them?

[Rasmussen] There are no easy recipes for doing that. It is difficult. There is a great risk that we will very swiftly slip to discussing technical matters or debating the four opt-outs. But we must devote all the political strength we can muster to this project and keep it constantly on the agenda. We must say: Forget the belief that this IGC is some easy exercise. Do not think that Denmark will automatically get what it wants. That is far from being the case. Understand instead that he who dares, wins — or as they say abroad. If you don't fight, you don't count. [previous sentence published in

English] The same applies in Danish politics, where nothing comes about simply of its own accord.

We must say that this conference will be an uphill struggle. An uphill struggle when it comes to fighting for a better environment, and an uphill struggle when it comes to greater openness. We must make it clear to Denmark's population that EU politics is just like Danish politics, with different opinions clashing and intermingling. It is tremendously important that we are honest and open and explain the whole time what kind of a political battle is being fought.

So in other words the IGC is not a discussion between bureaucrats, but a debate between politicians and a clash between political views. We must let them know what progress we have made via debates in the Folketing, the European Affairs Committee, and updated information material.

[BERLINGSKE TIDENDE] It sounds as if you are slightly more skeptical now than you were six months ago with regard to getting Denmark's priorities on the agenda. Is this the case?

[Rasmussen] I can only say that the negotiations will be tough. But we must not be frightened of our own shadow. Naturally as a country — even if we are not a big country — we must have the courage to rise up and fight for that in which we believe. We must not merely lie down and follow the priorities laid down by Germany and France or the United Kingdom.

[BERLINGSKE TIDENDE] But there is definitely talk of a very difficult balancing act. If the government starts off ambitiously, does it not risk ending up as a loser?

[Rasmussen] Most certainly. And that is why we should make no secret about the fact that what is taking place now is a fight. At the moment there are two views on Europe: One is like ours, namely that the IGC should have a broad agenda, and the other is that the agenda should be narrow. We will not get an answer in Turin, we will merely get a list of issues. Only then will the actual, really cutthroat political negotiations actually begin. And it will be a long, tough piece of work.

So the message to the people is this: The battle has commenced, and it is not certain who will win.

No Clear Allies

[BERLINGSKE TIDENDE] What does this candid message about how the conference will turn out signify? Will it be a case of trailblazing changes, or just small technical adjustments?

[Rasmussen] Now I risk being accused of judging the issue, but I genuinely believe that no serious prime

minister in Europe can answer that question at the present time.

I think that this time, unlike with the Maastricht negotiations, there is a much greater predilection for talking about what affects the citizens directly.

[BERLINGSKE TIDENDE] Is there a risk of the whole conference breaking down?

[Rasmussen] No, I do not think so. We can reach points of conflict, which means that it will take longer. But no responsible government can allow the IOC to break down.

[BERLINGSKE TIDENDE] Where do you see the greatest blow to Denmark coming?

[Rasmussen] I see tough political negotiations on continued representation in the Commission and in connection with the balance of votes in the Council of Ministers. On this issue, opinions are spread over a wide area. The same applies to the relationship between the institutions — the Council of Ministers, European Parliament, and European Commission — on the subject of openness. There will also be a fight over agricultural policy and the structural funds, and even if it does not belong directly within the conference, the agenda that underlies enlargement to include central and Eastern Europe.

[BERLINGSKE TIDENDE] Could you imagine Denmark giving up its commissioner in return for retaining its vote in the Council of Ministers?

[Rasmussen] The small countries agree — as does the general public — that all the member states should be represented in the Commission. So I personally cannot envision such a compromise.

[BERLINGSKE TIDENDE] Who are our allies in the IOC?

[Rasmussen] That depends a great deal on which area we are talking about. There is no clear picture of the small countries versus the large ones, of north against south, or skeptics against non-skeptics.

If we take the issue of enlargement, then there can be no doubt that Germany is a very powerful ally, as are France and the United Kingdom, and the smaller northern European community.

When it comes to the environment it will vary greatly. It will primarily be the northern European countries which allocate this topic a high priority. But other countries — like Portugal — will also make the environment a high priority.

As for employment, the debate will concern whether we should continue without changing the Treaty along the lines of what we are working on a daily basis to

achieve, or whether we should equip the treaty with more powerful tools to cope with our problems. And here it is clear that many of the small countries will give greater priority to the latter.

Also where defense policy is concerned, the attitudes in Europe point in all kinds of different directions.

[BERLINGSKE TIDENDE] You recently said that the EU should be able to make decisions about humanitarian and peacekeeping operations. Is this now incompatible with the Danish opt-out on defense?

[Rasmussen] Clearly there could easily be a real grey area here, where peace enforcement assignments are on the fringes of actual defense assignments. And there I see no option other than for us to take a stand on a case-by-case basis. And, as I have said, I do not believe that to be incompatible with our opt-out. The way I see it, as a part of the common foreign and security policy we will discuss how we can make a contribution when it comes to situations involving evacuations, safeguarding emergency aid, clearing mines, and intervening as peacekeepers.

In other words, tasks to which Denmark has always allocated a high priority, and which will of course be carried out in accordance with the UN pact.

[BERLINGSKE TIDENDE] So far you have not wanted to promise the Danes that the result of the conference would go to a referendum. Do you not run the risk of rumors arising and of facing accusations that you are sneaking things through without the population?

[Rasmussen] If there is a matter on which we should hold a referendum, we will do so. And with respect to the four opt-outs, they will continue to exist after the conference. They neither can nor should be negotiated away during the conference.

[BERLINGSKE TIDENDE] In other words, unless the whole thing breaks down and nothing comes of the conference we will have a referendum. Is that right?

[Rasmussen] I have nothing new to add on that.

[Box, p 2]

The Danish Government's Shopping List

- First and foremost the foundations must be laid for the enlargement of the EU to include the countries of central and Eastern Europe.
- To ensure effective cooperation between up to 27 countries the government intends to consider or work toward ensuring

- that more decisions are made with a qualified majority;
- that decisions made by the Council of Ministers are built on a qualified majority and that this majority at the same time represents at least half of the EU's entire population;
- that the work done by the presidency is rendered more effective;
- that all member states are represented in the Commission;
- that an upper limit is placed on the number of members of the European Parliament in the enlarged EU.
- The fundamental rights — both human rights and democratic rights — of EU citizens must be enshrined in the preamble to the treaty.
- A separate chapter on employment should be written into the treaty with a view to strengthening the coordination between the member states regarding growth and employment.
- The term "sustainable development" should be worked into the objectives of the treaty.
- It must be possible to introduce taxes to solve cross-border environmental problems with a qualified majority.
- The protocol on the labor market should be written into the treaty.
- The government is disposed toward giving the EU member states the possibility of participating in the execution of humanitarian assignments, crisis management, and peacekeeping operations.
- The government will accept the possibility of the EU undertaking joint actions within the framework of the common foreign and security policy, even if one or two countries do not want to participate.
- The principle of openness in EU cooperation should be incorporated into the treaty, otherwise changes should be made to the Council of Ministers' rules of procedure.

Sweden

Sweden: Prime Minister Persson's Government Statement

BR2603131596 Stockholm SVENSKA DAGBLADET
in Swedish 23 Mar 96 pp 23-24

[Text of the government statement presented by Prime Minister Goeran Persson before the Swedish Riksdag on 22 March 1996]

[FBIS Translated Text] Madam Speaker, honored members of the Swedish Riksdag.

Reducing unemployment is my government's primary task that overshadows all others.

The goal is that by the year 2000 Sweden will have halved official unemployment to 4 percent.

The foundation for a good society is being undermined by today's high unemployment.

Not only the national economy but also morale and strength of will are being weakened. Ultimately, the fight for employment is a matter of holding Sweden together.

The government's policy against unemployment will be based on four cornerstones:

The first cornerstone is stable and sustainable finances. Good government finances are the foundation for all political ambitions. The reform of public finances will continue. The objective is to limit the budget deficit to less than 3 percent of GDP in 1997, and to balance Sweden's government finances by the year 1998.

A new budget process with stronger budget follow-up and specific expense ceilings will create favorable conditions to start the necessary reduction of the public debt burden.

Price increases have been forced down to under 2 percent. Inflation will be kept at a low level. This will create scope for continuing reductions in interest rates.

Under no circumstances can the government allow the welfare society to be undermined again by major deficits and runaway public debt.

The second cornerstone is favorable conditions for business and entrepreneurs.

Sweden is a good country for initiative. We have a flexible economy, a constructive climate of cooperation, and a skilled and well-trained work force.

The government intends to further improve conditions for business.

The number of new jobs in small- and medium-sized companies has increased strongly. This is a sound development which will be reinforced by the development of expertise, support for innovation, access to capital, and support for business. The government's overall policy will be to provide better opportunities to start up new firms, and to develop and expand them.

The local and regional role of the economic policy will be emphasized. In this way, regional development can be strengthened. The EU's Structural Funds will be better utilized and economic activity encouraged.

The role of local authorities in labor market policy will be expanded because they have the knowledge of local conditions and solutions.

Economic crime will be fought, both to maintain community morale and to ensure that honest business is not damaged by unhealthy competition.

Access to capital will be improved through the introduction of a sixth AP fund with greater opportunities to place its assets in small- and medium-sized businesses.

The government seeks to draft more stable and predictable policies to improve companies' investment opportunities and strengthen domestic demand.

The third cornerstone is life-long learning. Sweden should compete on the basis of high expertise, not low wages. The concept of life-long learning will be realized.

School, preschool, and daycare will be integrated to improve the first, important years of primary school.

The quality of secondary school will be improved and post-secondary education expanded.

An additional 100,000 people will receive the opportunity for regular education, 70,000 of them in adult education. People who have thus far received the smallest share of society's educational resources will be given priority.

The unemployed will be given the opportunity to obtain a secondary school education.

Swedish higher education and research will continue to maintain an international standard.

Interdisciplinary and applied research will be strengthened and research cooperation among EU countries fully exploited. The development of universities throughout the country will lend powerful support to regional development. This will give hope for the future, stimulate business, and create new jobs.

The fourth cornerstone is a new contract for joint action. Mutual understanding has been the foundation for the

stability and confidence in the future which has so long characterized Swedish society. Cooperation is the key in the fight for full employment.

Lower unemployment must be combined with inflation at a good European level. This requires that both trade unions and employers accept a unique responsibility for modifying the systems of negotiating and determining wages, as well as for labor legislation. The government and the Riksdag have final responsibility for stability in the labor market.

Equal pay for equal work is a basic aspiration. Women and men should have the same opportunities to support themselves and to combine a fully-developed career with active parenthood.

Immigrants' special expertise should be better utilized. This will improve Sweden's opportunities at a time of increasing internationalization.

Within the European Union, many countries now support the idea of formulating common ambitions for the fight against unemployment. This represents progress. In order to intensify these efforts, it is very important that a special chapter on employment be written into the EU treaty.

Sustainable government finances, good conditions for business, life-long learning, and a contract for joint action are the four cornerstones. On this foundation, the government invites the political parties, participants in the labor market, and the entire Swedish population to overcome unemployment together. Only in this way can we realize our best dreams of Sweden.

Globalization and internationalization have dramatically changed people's lives and the options open to politics. Security is no longer just a national concern.

To resolve the major, long-term issues of peace, democracy, security, and the environment, it is necessary to increase international cooperation. Policies will therefore be concentrated on four areas:

1. EU cooperation will be given better focus

Sweden's EU membership is based on a long tradition of international involvement, solidarity, and cooperation. The government will actively exploit the possibilities which Swedish membership provides to encourage welfare and common security in our part of the world. EU matters will be given more weight in the domestic political process.

The Intergovernmental Conference on the EU's future which will start in a few days, should pave the way for EU enlargement. Bearing that in mind, Sweden will

actively pursue the issues of lower unemployment, more openness, and a good environment.

2. Peace, democracy, and social justice will be ensured everywhere in the world.

Swedish involvement and responsibility do not stop at the borders of Europe. The United Nations is the most important instrument for international peace and security and for dealing with the global threat to man's survival.

The government therefore takes a strong interest in the UN's profound difficulties and in the need for reform. Sweden's candidacy for the UN Security Council is an expression of our unshakeable support for effective international cooperation.

We want to continue the fight for social justice, human rights, and continuing disarmament in the world. A world in which there are drastic economic and social imbalances will never be secure. The government is therefore pursuing the tradition of active involvement on behalf of the peoples of the Middle East, Africa, Asia, and Latin America.

Sweden's military nonalignment, which is intended to ensure that our country will be able to remain neutral in the event of war in surrounding countries, remains in place. Nonaligned status is also combined with taking an active responsibility for security in the world around us.

Swedish voluntary personnel are carrying out an important and dangerous assignment in Bosnia. Through our participation in IFOR (Implementation Force), Sweden is making a concrete contribution to international efforts to assist the various groups in this wounded country to achieve a lasting peace.

The new democracies are fragile and subjected to difficult trials. They need our support in efforts to rebuild their societies and their economies.

We strengthen Sweden by helping others. The Baltic Sea Conference in Visby in May is an important starting shot for a broad offensive for development and renewal in the Baltic Sea region. The Baltic Sea will be restored to its position as a sea which unites, develops, and enriches people. In this way, a secure basis for democracy and peace will be created.

3. The environment will be an obvious and long-term priority.

The threat to the environment is a threat to life itself. The government's ambition is for Sweden to be an international driving force and a leading country in efforts to create a sustainable society. Ecological demand may lead to the next big leap in growth.

It requires active citizens, but also clear policies, to encourage more cyclical thinking.

A new energy system will be developed. The windup of nuclear power should start during this term of office and continue after that at the same pace. This will take place in a way which does not jeopardize electricity-intensive industry's competitive position. On the basis of the 1991 energy agreement, the report of the Energy Commission, and replies to it, all parties in the Riksdag are invited to take part in deliberations on energy policy.

4. Society should be characterized by security and responsibility.

Swedish social welfare will include everyone. Universal social welfare is effective and unsurpassed in its ability to promote justice and security for everyone. It enables human beings to take advantage of their will and capacities to the fullest.

The social security and allowance systems will provide security in the changing conditions of everyday life.

Allowances and social security payments will be adapted to conditions in which changes in profession or switches between having a job, studying, or operating your own business have become more common. Cheating and abuses of the system can never be tolerated and will be combated.

Societal well-being presupposes fair distribution. All over the world, we see that injustice and misfortune lead to increases in crime. Crime is a threat to human beings' security and also to democracy. We can never tolerate a society in which fear is allowed to spread.

Culture and the media should contribute to bridging the rifts and promoting respect and understanding among people. Multiplicity and versatility are necessary for democracy. The cultural heritage and the values which a multicultural Sweden produces must be preserved. Radio and television as a public service ensure a selection of programs which reach everyone.

Unemployment, segregation, and racism are the most disturbing problems in today's society. If we do not succeed in establishing the idea of the equality of all human beings, society is in danger of breaking apart due to internal antagonisms. All Swedes must therefore be mobilized to make a contribution toward increased integration.

It is especially important that the fight against unemployment among immigrants be given priority.

Efforts to achieve a society of equality continue. The equal opportunity perspective will permeate all aspects of the government's policies.

High-quality community services are the basis for Swedish social welfare, and are decisive for equal opportunity and in combating segregation. In the future as well, community services, such as care, assistance, and schools will be given higher priority than state allowances and transfers.

In order for the full range of community services to be distributed equally, a new system for equalizing income and expenditures among communities has been introduced. This will be carefully followed up and assessed.

The agreement which has been reached by the national government, the Federation of County Councils, and the Association of Local Authorities creates favorable conditions for the activities of local authorities and the national economy. Local authorities receive firm rules

by which to work. Firings by local authorities and tax increases are prevented. This improves the possibilities of fighting unemployment.

Sweden is a rich country. We have a good environment, a high level of knowledge, pronounced equality, and great openness. These values will be preserved and expanded. Human worth is always greater than market value.

The government's objective is a society in which everyone has work, feels secure, feels that he can participate, bears responsibility, and in which each and every individual receives his share in the benefits of development.

Then we can keep Sweden together.

Cyprus: President, Greek Ambassador on Yilmaz Remarks

NC2503151196 Nicosia Cyprus Broadcasting Corporation Radio Network in Greek
1300 GMT 25 Mar 96

[FBIS Translated Text] Commenting on a statement yesterday by Turkish Prime Minister Mesut Yilmaz, President Glavkos Kliridhis said that if Yilmaz really wants peace he must first respect what is defined by International Law. That is, he must respect Greece's territorial integrity. He said: Then I certainly believe he will find a response.

President Kliridhis was speaking to correspondents today after the parade to mark the 25 March anniversary. Commenting on Yilmaz's reference to the Cyprus issue, Kliridhis said the problem will have to be resolved separately from Greek-Turkish differences, but noted that a Cyprus solution will help create a warmer atmosphere in Greek-Turkish relations.

Greek Ambassador in Nicosia Alexandros Sandhis said that if Yilmaz's statement is not accompanied by specific, tangible examples, and with a withdrawal of the well known Turkish positions, then it only has public relations value and nothing more in light of the EU-Turkey Association Council.

Cyprus: Defense Minister Satisfied With Moscow Talks

NC2503212196 Nicosia Cyprus Broadcasting Corporation Radio Network in Greek
2000 GMT 25 Mar 96

[FBIS Translated Text] Defense Minister Konstandinos Iliadhis said that his visit and talks in Russia were crowned with absolute success. He made the statement upon his return tonight from Moscow, where he signed an agreement on technical cooperation in defense issues. Mr. Iliadhis added that he received a very positive response from the Russian officials, particularly with regard to promoting the Cyprus issue.

Referring to the content of the agreement, Mr. Iliadhis said that it is a draft agreement on the basis of which

other agreements can be concluded in the future. Commenting on Turkish reaction to the agreement, Mr. Iliadhis said that the Republic of Cyprus is an independent state and has the right to conclude international agreements with any other state, including the Russian Federation.

During his visit in Russia, Mr. Iliadhis also visited Russian industries manufacturing weapon systems.

Cyprus: Atun Describes Meetings During Visit to Turkey

TA2603110096 Nicosia Bayrak Radio in Turkish
0600 GMT 26 Mar 96

[FBIS Translated Text] Prime Minister Atun completed his contacts in Turkey and returned to the Turkish Republic of Northern Cyprus [TRNC] last night. He said that at the Fourth Congress of the Turkic States and Communities Friendship, Brotherhood, and Cooperation Council, he had the opportunity to discuss the expectations of the people of the TRNC from the other brotherly Turkic states, as well as the general political situation. He recalled that after the Congress, he met with Turkish State Minister Ayfer Yilmaz who is responsible for Cyprus affairs, with Foreign Minister Gonensay, and Prime Minister Yilmaz. Atun said that he briefed them both on the Cyprus problem and on domestic problems. He said: I told them that our work has reached the final stage, the stage of decisionmaking. I told them of our important problems, of our medium-term stability measures, and of our long-term plans.

Atun summarized these plans as harmonizing the TRNC customs laws with Turkey's following the Customs Union, organizing the issue of a value-added tax and other tax reforms, taking the necessary steps toward privatization, and improving the state structure. Atun said that the Turkish Government officials heard these things with great excitement and sensitivity.

Atun said that Minister Ayfer Yilmaz, Foreign Minister Emre Gonensay, and Prime Minister Mesut Yilmaz are getting ready to visit the TRNC as soon as possible. He said that he is looking forward to their arrival.

Greece: EU-Turkey Association Council Meeting Postponed

NC2503222096 Athens Elliniki Radiofonos Radio Network in Greek 2200 GMT 25 Mar 96

[FBIS Translated Text] The convening of the EU-Turkey association council meeting, which was scheduled for tomorrow (26 March), has been postponed after marathon negotiations, which ended tonight. The postponement is due to the new Turkish government's rejection of the draft document on common positions that was agreed upon by the 15 EU members, who included in it all the relevant Greek positions. Turkey claimed that the document should not contain specific elements and proposals on Greek-Turkish relations.

After the end of the EU ministerial council meeting, Foreign Minister Theodoros Pangalos said: The postponement was made because Greece refused any document that would not express principles which, on the one hand, are principles of the EU and, on the other hand, constitute general principles of the UN charter and the Helsinki Final Act. Mr. Pangalos added: The Greek position is crystal clear, is not open to any questioning, and nobody will convince us to abandon it.

Greece: Pangalos Comments on EU Meeting in Brussels

NC2603131196 Athens Elliniki Radiofonos Radio Network in Greek 1200 GMT 26 Mar 96

[FBIS Translated Text] Following the EU Ministerial Council meeting, Foreign Minister Theodoros Panga-

los said: The Greek position is clear, is not open to question, and nobody will convince us to abandon it. Pangalos added: The Italian EU presidency came under a great deal of pressure behind the scenes, even from non-EU members, so that the EU-Turkey Association Council would meet. The foreign minister stressed: It was made clear that the campaign undertaken by some people to convince the world that Turkish Prime Minister Mesut Yilmaz had been transformed from a wolf into a sheep had failed, since he did not accept the document on the common position, which has some basic principles expressed by us that are accepted by all civilized countries.

Theodoros Pangalos returned at noon from Brussels and said: We do not want Greek-Turkish relations to worsen. We want the Imia issue to be excluded from bilateral relations. While Turkey continues to make its claims, the [Turkey-EU] customs union must not operate normally.

During a correspondents' briefing Pangalos said the Greek delegation attempted and achieved the adoption of the Greek position that Turkey disputes Greek sovereignty over the Dodecanese. The common document reached by the 15 EU foreign ministers included six principles, which the Association Council asked Turkey to adopt. Asked by correspondents whether he will meet his Turkish counterpart, Pangalos said there would be a good chance for them to meet in Bucharest.

Turkey: Ecevit States Conditions for Provide Comfort

NC2503182596 Ankara *TURKISH DAILY NEWS* in English 21 Mar 96 pp A1, 6

[Report by "Parliament Bureau" correspondent Kemal Balci in Ankara: "Ecevit says division of Iraq is the problem, not Provide Comfort"]

[FBIS Transcribed Text]

Ecevit's conditions: The resolution must say this is the last renewal and pledge to put an end to Iraq's division

Democratic Left Party (DSP) leader Bulent Ecevit, whose party enabled the Motherland Party (ANAP)-True Path Party (DYP) minority government to win a vote of confidence by abstaining during the vote, announced on Wednesday his party's conditions for a 'yes' vote on the renewal of the mandate for Operation Provide Comfort (OPC), the multinational relief force for northern Iraq based in Turkey.

He said that the draft resolution the government will present to Parliament should specify that the force's mandate would be renewed "for the last time" and should include a pledge that by the time the mandate expires new arrangements will have been made toward ending the division of Iraq and eliminating the threats to Turkey's security.

Ecevit said that in the past five years the United States had failed to attain its goal to create in northern Iraq a "Kurdistan" state under U.S. protection and asked, "Do we have to commit suicide for the sake of the U.S.?"

Ecevit asked the DSP deputies not to be absent from the capital on Saturday, because on that day the group might be asked to take a binding decision on this issue. Noting that he had discussed the OPC issue with the coalition partners, he said he would have another meeting with Prime Minister Mesut Yilmaz on Friday. Since he will leave on Sunday for Israel to speak at the International Press Institute (IPI) conference, Ecevit said it would be better for the DSP group in Parliament to take a decision on the issue on Saturday.

Iraq's territorial integrity

The DSP leader said the crux of the matter was not whether the Provide Comfort should stay or go. The real problem was how to ensure Iraq's territorial integrity. The military force and the military facilities now called Provide Comfort had already been in Turkey for many a year under the framework of the Turco-American defense cooperation agreement, he noted. If Turkey refused to renew the force's mandate, Ecevit said, it

would be out of the question for the force to be moved to Syria or southern Cyprus contrary to what some circles seemed to believe stressed. He continued, "The U.S.A. has very big build-ups in Kuwait and Saudi Arabia And according to information we have received, a new base will be founded in Jordan under an agreement soon to be signed with that country. Under the circumstances there would be no need to deploy Operation Provide Comfort in another country."

Ecevit said: "To ensure Iraq's territorial integrity, the security of the Kurds and Turkmen living in northern Iraq should be ensured. Initially Iraqi Kurdish leaders Massoud Barzani and Jalal Talabani went to Baghdad and reached agreement with the Saddam Husayn administration but that process was brought to a halt by the United States. Barzani is still in favor of reaching an agreement with the Saddam Husayn administration whereas Talabani, under U.S. influence, seems reluctant.

"Iraq's territorial integrity can be ensured by an agreement under which the parties concerned would receive adequate guarantees. Northern Iraqi Kurds and Turkey have suffered from the embargo imposed on Iraq in the wake of the Gulf War. Thanks to a Security Council resolution, Jordan has managed to remain outside the scope of the United Nations embargo. I find it difficult to understand why Turkey has not availed itself of that chance."

PKK and border security

Ecevit said that in the wake of the Gulf War the path the outlawed Kurdistan Workers' Party (PKK) used for infiltration into Turkey had shifted to the Iraqi border, and mass infiltration took place because the rocky, mountainous terrain made infiltration easier.

The PKK could not infiltrate Turkey so easily when the area was under the control of the Saddam Hussein regime. Ecevit stressed that while Turkey's border with Syria was easy to protect, the same thing, could not be said for the border with Iraq.

Ecevit said the name "Poised Hammer" — by which the operation is sometimes known — was not appropriate. The force's real name was Provide Comfort but no "comfort" had been provided for the region. Operation Provide Comfort was launched because of the exodus from northern Iraq to Turkey of hundreds of thousands of Kurds. But following five years of "Provide Comfort" this time the issue was the migration from Turkey millions of Kurds. Drawing attention to the fact that during that period there had been an explosion in youth unrest in big cities and in the activities of the illegal organizations, Ecevit said: "The solution is Iraq's reintegration. The Kurdish state sought by the United

States could not materialize because of the feudalistic structure in the region, which is an anachronism. The people of the region are in a state of war with one another, "From now on Turkey must formulate its Iraqi policy itself. Solutions should be found to issues involving Iraq's territorial integrity, the balance of military power in the region and the human rights violations, solutions in which Turkey can play a leading role. There are still mysterious events and relationships in the region. For that reason I speak with great caution. The United States has not attained any of its goals. A Kurdish state affiliated with it has not materialized. The Saddam Husayn administration has not come to an end. It is still in mace whereas the president of the United States has been replaced." [quotation marks as published]

Ecevit indicated that if his proposals were not included in the government draft, he would table a motion to this effect during parliamentary debates and if that motion were not accepted, the DSP would vote against a renewal of the force's mandate.

Turkey: Yilmaz Says Greek Response Not Meet Expectation

TA2503182996 Ankara TRT Television Network
in Turkish 1800 GMT 25 Mar 96

[FBIS Translated Text] Prime Minister Mesut Yilmaz has stated that the announcement made by the Greek Government spokesman is not the positive response expected in reply to his call for peace and dialogue made yesterday.

Replying to reporters' questions in Ankara, Yilmaz expressed the belief that Greece will feel the need to assess the call and respond positively.

[Begin Yilmaz recording] I saw the announcement made by the Greek Government spokesman this morning. This is not the positive response we expected to the call we made yesterday. We expected Greece to respond more positively. Our ambassador to Athens will meet with the Greek prime minister and brief him in more detail on our initiative. I believe the Greek Government will assess our sincerity on the issue better and will feel the need to give a more positive reply soon. [end recording]

Turkey: Foreign Ministry Says Greek Reaction Not Official

TA2503170496 Ankara TRT Television Network
in Turkish 1600 GMT 25 Mar 96

[FBIS Translated Text] The Foreign Ministry has stated that the announcement made by the Greek Government spokesman regarding the proposals made yesterday by Prime Minister Mesut Yilmaz on solving Turkish-Greek

problems has been assessed not as a formal reply but as an initial reaction.

Foreign Ministry spokesman Ambassador Omer Akbel said that it was impossible for Greece to analyze in detail the comprehensive proposals made by Yilmaz. Replying to questions at his weekly briefing organized for the foreign press, Akbel said that Turkey does not view the announcement rejecting the proposals as the official reply of the Greek Government. In reply to a question, Akbel stated that Umit Pamir, the Turkish ambassador to Athens, will request a meeting with Prime Minister Simitis in a bid to explain Yilmaz's comprehensive proposals in detail. Akbel noted that German Foreign Minister Kinkel was pleased about the proposals.

Turkey: Ciller Supports Yilmaz Initiative on Greece

TA2603091996 Ankara TRT Television Network
in Turkish 1800 GMT 25 Mar 96

[FBIS Translated Text] Prime Minister Mesut Yilmaz met with True Path Party [DYP] leader Tansu Ciller today and exchanged views with her on certain domestic and foreign developments as well as certain bureaucratic appointments.

The meeting at the Prime Minister's Office lasted about two hours. In a statement after the meeting, DYP leader Ciller said that they worked productively with Prime Minister Yilmaz, and that they discussed domestic and foreign policies in general. She said that they also discussed the issue of the appointments which, she added, are being made in harmony. Ciller said that work on the governors' decree is already under way.

Ciller said they mutually assessed Prime Minister Yilmaz' views regarding Greece, and added that she considers the prime minister's call to Greece to be positive.

[Begin Ciller recording] We mutually discussed our views on Mr. Yilmaz' recent initiative concerning Greece. I find it positive that a call for peace was made to Greece. In fact, this is a continuation of the policy that has been pursued in this country for a long time. We have always been on the side of national honor. Turkey will always protect its national honor. It does not allow any facts to be accomplished. We lived through this in recent developments. Turkey did all that was necessary; however, we have always pursued the policy of being in a dialogue with Greece and calling on it to make peace. I support the initiative Mr. Yilmaz took along these lines. [end recording]

Asked whether they discussed cooperation between the DYP and the Motherland Party [ANAP] in the local by-elections, Ciller said that they did not discuss this

issue today, but that they did talk about it earlier. She said that the DYP may cooperate with ANAP in certain electoral areas.

Turkey: Foreign Ministry Spokesman on EU, PKK, Germany

TA2603072996 Ankara TRT Television Network
in Turkish 1800 GMT 25 Mar 96

[FBIS Translated Excerpt] [passage omitted] Replying to a question at his weekly news conference for the foreign press today, Foreign Ministry spokesman Omer Akbel recalled that the EU general affairs council will discuss the issue of the Turkey-EU Association Council meeting. He explained that the Customs Union agreement which went into force on 1 January 1996 brings mutual responsibilities to the EU and Turkey. He reiterated that Turkey is fulfilling its responsibilities and that the same must be expected from the EU.

Replying to another question, Akbel said that (Peter Hantman), Germany's deputy foreign minister, came to Ankara a while ago within the framework of the political consultation mechanism between the two countries. The spokesman went on to say that during their meetings, (Hantman) and Foreign Ministry Under Secretary Onur Oymen discussed, besides bilateral relations, the latest situation in the Caucasus, the Middle East peace process, and other international problems. Akbel said that at these meetings, the two sides agreed to increase their joint struggle and cooperation against terrorism and organized crime. He added that the two sides also agreed to pass, without further delay, the legislation necessary for the implementation of the mutual extradition agreement signed between Turkey and Germany last year.

Replying to a question, Akbel said that the two countries have been exchanging information in connection with the PKK (Workers Party of Kurdistan) separatist terrorist organization, other terrorist activities, and organized crime.

Asked to assess the military agreement signed between Russia and the Greek Cypriot sector, Akbel said that he has not seen the details of the agreement but that arming the southern part of the island undermines the intercommunal peace efforts conducted under UN auspices.

Turkey: Yilmaz Promises 'New Initiatives' in Southeast

TA2603094896 Ankara TRT Television Network
in Turkish 1800 GMT 25 Mar 96

[FBIS Translated Text] Mesut Yilmaz, Motherland Party [ANAP] leader and prime minister, said that it has

always been his party's aim to reach a final solution to the southeastern problem, and to ensure that the state carries out its responsibilities and takes the necessary steps regarding this issue. Our government assumed its duties with this understanding, he said.

The ANAP chairmanship council convened under Yilmaz today. In a statement after the meeting, the prime minister said that the ANAP chairmanship council was briefed by a party delegation that visited Hakkari last week. He said that the investigation conducted by the delegation was very useful, adding that he will soon convey to the Council of Ministers the measures that must be taken in light of the findings. He added that the ANAP Assembly group will discuss this issue tomorrow.

[Begin Yilmaz recording] As I say on every occasion, it has always been one of the important aims of ANAP to reach a final solution to the southeastern problem, and to ensure that the state carries out its responsibilities in every field and takes the necessary measures in this regard. Our government assumed its duties with this understanding. In the coming period, the public will see that we will take certain new initiatives. [end recording]

The prime minister pointed out that lifting the state of emergency is one of the aims of the government program, and that the government is working with a view to reaching this aim.

Yilmaz said that Azerbaijani President Aliyev contacted him today and briefed him on the negotiations between Azerbaijan and Armenia. Yilmaz said that Aliyev is sending his special envoy to Turkey who will meet with him. The prime minister added that Aliyev invited him to Azerbaijan before the Yeltsin-Clinton summit in April, and that he has accepted the invitation. He said during his visit that he will discuss the issue of how the Turkish Government can contribute to the solution of the Azerbaijani-Armenian conflict, the issue of the oil pipeline, and other matters.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

- Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.
- Headlines and all bracketed explanatory notes are supplied by FBIS.
- Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.

END OF

FICHE

DATE FILMED

28 Mar 96